

THE STATE OF ARIZONA  
ARIZONA STATE PARKS BOARD

TRANSCRIPT OF AUDIO RECORDED PUBLIC MEETING

Superior, Arizona

October 16, 2013  
1:00 p.m.

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A PUBLIC MEETING, BEFORE THE ARIZONA STATE PARKS BOARD, convened on October 16, 2013, at Boyce Thompson Arboretum State Park, 37615 U.S. Highway 60, Superior, Arizona.

APPEARANCES:

Mr. Walter Armer, Jr., Board Member  
Mr. Kent Ennis, Deputy Director  
Mr. Alan Everett, Board Member, Vice Chairman  
Mr. Bryan Martyn, Director  
Mr. Jay Ream, Deputy Director  
Ms. Vanessa Hickman, State Land Commissioner  
Ms. Kay Daggett, Board Member  
Mr. Kelly Stetson, Board Administrator

OTHERS PRESENT:

Mr. Randy Bernage, Ranger  
Ms. Dawn Collins, State Parks Foundation  
Mr. Kenny Evans, Mayor of Payson  
Mr. Rick Gibson, University of Arizona  
Ms. Joy Hernbrode, Assistant Attorney General  
Mr. Bob Holmes, Washington Representative  
Mr. Jim Reynolds, Boyce Thompson Arboretum  
Mr. David Salisbury, Member Boyce Thompson Arboretum  
Mr. Mark Siegworth, Director, Boyce Thompson Arboretum  
Ms. Cristi Statler, Arizona States Park Foundation  
Mr. Charles Eatherly, Arizona State Parks  
Mr. David Stern, Boyce Thompson Arboretum  
Mr. LeRoy Brady, Boyce Thompson Arboretum  
Ms. Annie McVay, Trails Coordinator  
Ms. Laurie Hatchel, Assistant Attorney General  
Ms. Victoria Peacey, Resolutions Copper

1 MR. STETSON: Yes, sir. Chairman Landry?  
2 Vice Chair Everett?

3 MR. VICE CHAIRMAN: Here.

4 MR. STETSON: Ms. Daggett? Ms. Hickman? A  
5 little bit louder, please.

6 (No audible response).

7 MR. STETSON: Are you there, Vanessa?

8 MS. HICKMAN: Yes. Can you hear me? I'm here.

9 MR. STETSON: Yes. Thank you. Mr. Armer?

10 MR. ARMER: Here.

11 MR. STETSON: Mr. Brnovich? Mr. Cardin?

12 MR. VICE CHAIRMAN: Why don't we do the Pledge  
13 of Allegiance.

14 (Pledge of Allegiance by Members)

15 MR. VICE CHAIRMAN: Thank you and welcome  
16 everyone. I think that this Board lost out today because  
17 I saw the BTA Board is out hiking and we're in here on  
18 this beautiful day. So we'll get through it really  
19 quick, okay?

20 So would Board Members introduce themselves,  
21 and Kay, would you mind reading the Board Statement?

22 MS. DAGGETT: First of all, I'm Kay Daggett.  
23 I'm the Tourism Representative on the Board.

24 "As Board Members we are gathered today to be  
25 stewards and voice of the Arizona State Parks and its

1 mission statement to enhance, manage and conserve  
2 Arizona's natural, cultural and recreational resources  
3 for the benefit of the people both in our Parks and  
4 through our partners."

5 MR. VICE CHAIRMAN: Thank you. Would you like  
6 to introduce?

7 MR. ARMER: I'm Wally Armer. I'm the livestock  
8 representative from Vail, Arizona.

9 MR. VICE CHAIRMAN: And I'm a Member at large  
10 from Yavapai County.

11 Call to the public. I've got one person to  
12 speak (indiscernible) and you can just stand wherever  
13 you'd like.

14 (NOTE: Heavy static throughout speaker's  
15 comments.)

16 FEMALE SPEAKER: Now? Okay. (Indiscernible)  
17 I have some handouts I want to give you (indiscernible).  
18 (Indiscernible) Trial Association in Arizona, which is  
19 one of our (indiscernible) and we rely heavily on the  
20 National Trial System conferences in Tucson. A lot of  
21 people (indiscernible).

22 We're asking for the recreation (indiscernible)  
23 to have some money that we can offer Tribal people. We  
24 really like the Tribal land. And we're passing  
25 (indiscernible). We have invited speakers

1 (indiscernible) Color Guard and the (indiscernible). And  
2 that will be not only for the (indiscernible) people, but  
3 also have the other places because they'll be  
4 (indiscernible). So about 10 people there, I think.

5 And when we invited (indiscernible) from San Carlos,  
6 we (indiscernible) and they have a general theme. And  
7 let's see here.

8 And the last one is (indiscernible.) And this is  
9 the one that (indiscernible.) So what we've done is  
10 invite the people. (Indiscernible) So we don't have a lot  
11 of them. We have money from (indiscernible.) But this  
12 year we shut down and we are open for. So that's the  
13 situation. It's a little scary. So we just so that's  
14 the (indiscernible).

15 MR. VICE CHAIRMAN: Thank you very much.  
16 (Indiscernible). So, we'll keep your remarks in mind.  
17 That's the only request I have to speak under the Call  
18 for the Public.

19 So we're at No. E and that's Director's Report.

20 MR. MARTYN: Mr. Chairman, Board Members, good  
21 afternoon. Thank you for coming out to Boyce Thompson  
22 Arboretum. Thank you to Mark Siegworth and Company for  
23 hosting this meeting. I think it was a good idea to get  
24 out of the office. I appreciate you making the drive.

1 I'd like to take a minute if I might, Mr.  
2 Chairman and -- these have been sitting around for a  
3 while. We have new badges as you're aware within the  
4 Agency. You've seen them. This is my particular badge.

5 Mr. Chairman, if it's all right with you, I  
6 would like to present the Board Members that are here  
7 with us today with your badge, your individual badges, if  
8 it's all right with you, Mr. Chairman.

9 MR. VICE CHAIRMAN: Certainly. I would  
10 recommend that Board Members that didn't come to this  
11 meeting shouldn't get them.

12 MR. MARTYN: I completely agree. So Mr.  
13 Chairman, if would be all right and approached you and  
14 give you your individuals badges?

15 If you'd like, we have these cases. These work  
16 very well depending on what you want to do with it. We  
17 can give you one of these. They're very convenient for  
18 carrying if you want.

19 MALE SPEAKER: These are beautiful.

20 FEMALE SPEAKER: They are gorgeous.

21 MR. MARTYN: So I will leave -- if you want it,  
22 give it back. And Mr. Stetson is happy to put those  
23 together for you here. Just a little memory token.

24 All right. Excellent.

1                   Current Events. I've been busy out and about  
2                   and spending time in our Parks.

3                   The Verde River Days was a success. We  
4                   actually did Hands Across the Lagoon and we tried to  
5                   reach all the way around the lagoon with our hands. We  
6                   had a helicopter come by and take some pictures. We had  
7                   a picture of the helicopter but we couldn't use it, it  
8                   was their picture.

9                   MALE SPEAKER: Smokey Bear let us use that one,  
10                  though.

11                  MR. MARTYN: Yes, and Smokey and I got  
12                  together. Smokey was out there with the OHV guys. It  
13                  was a good event as it always is, and our Parks guys and  
14                  gals did a great job. Great partnership with the  
15                  community.

16                  Star Night out at Kartchner, was a big deal.  
17                  The Star Night continues to be a great thing, and I want  
18                  to thank the volunteer astronomers who come out to the  
19                  Parks and bring their -- it's their stuff. We don't have  
20                  any stuff to look at stars. So we have these volunteers  
21                  who come out and spend time with us and we put a lot of  
22                  people through these things and the kids like it. It's a  
23                  good event.

24                  I've been busy out at the Parks. I've been  
25                  nine now. Nine of 19 stops. It has been very very well

1 received. The press has been very favorable to us. Most  
2 of the Parks that I go to, the local press would show up.  
3 They're very enamored with the tent. They can't believe  
4 that the Director is sleeping in a tent.

5 It's been great to interact with our volunteers  
6 and our customers. They're very appreciative and I get  
7 to hear a lot, and I'm talking also to our seasonals,  
8 people who I don't really get to talk to very often, and  
9 talking about the issues that are effecting them and  
10 where we can do things better and where we're having  
11 challenges. And it also allows me to interact directly  
12 with the Managers.

13 Often time to the chagrin of Jay Ream and Rick  
14 Knotts, where I get a chance to ask the questions, the  
15 hard questions, why, why is it like this? And some of  
16 them are rather pointed. Kind of like, you know: 1985  
17 called, they appreciate you watching their Park, but it's  
18 time to move along. Those are good conversations and  
19 they get the guys to think about we've got to make things  
20 possible, we've got to give people reasons to come out  
21 here. It's most than just, you know, keeping the  
22 buildings up and collecting the fees.

23 And I don't mean to disparagement anybody.  
24 We've made great progress over the last few years. But  
25 there still is room for improvement in our Parks and this



1 has been a great opportunity to get out. I get to  
2 interact with not only the resources but the  
3 infrastructure. I mean, I take my hot shower, you know,  
4 in these bathrooms and those types of things.

5 So it's been a very positive, positive  
6 experience. It really hasn't cost Jay too much money  
7 yet. Probably the most expensive deficiency that I've  
8 noticed so far is the road at Homolovi. The road at  
9 Homolovi needs to be replaced. It does not work. If I  
10 had an RV I would not come back. We need to figure out a  
11 way to do that and we're working with our consultants and  
12 ADOT to figure out how to move that up on the list. It's  
13 one of those things where, again, we had it all planned,  
14 everything was ready to go and then the wheels feel off.  
15 Well, the road is still a problem.

16 But other than that, that was probably the  
17 largest infrastructure problem that I've seen so far.

18 We're posting on LinkedIn and Facebook and  
19 we're getting more and more followers every day. I think  
20 a lot of people appreciate the part of the processing,  
21 and I even have City Council Members who show up when I  
22 was in Show Low, I had City Council Members come out and  
23 talk. I had a regularly scheduled time to talk to the  
24 public and I have an evening around the campfire.

1           So great experience. I recommend it, and if  
2           you really want to know about some good Parks -- all our  
3           Parks are great, but all the Parks I've gone to so far  
4           have been very positive and Dankworth Pond, a little-  
5           known treasure. Dankworth Pond is coming along. We're  
6           going to have to see what we can do with that Park. But  
7           it was a great experience.

8           Any questions about that?

9           MALE SPEAKER: I just want to comment that I  
10          did a call from a reporter for the Republic and he was  
11          asking about what I thought about (indiscernible). I  
12          don't know what came (indiscernible). He was very  
13          positive. He don't know what came -- Alan, I'm sure  
14          knows. It was very positive.

15          MR. VICE CHAIRMAN: And I'll say that as I was  
16          leaving from day job inspecting wineries about in the --  
17          by Red Rock and saw the Director there. The guy at the  
18          gate said -- I said is the Parks Director still here and  
19          he said, "Yeah, you know he stayed all night." So, I'm  
20          not sure they were expecting that. They were happy.

21          MR. MARTYN: Yeah, thank you, Mr. Chairman and  
22          Mr. Armer.

23          The Arizona Republic did quote you and we led  
24          -- we were on the cover of Valley and State, the "B"  
25          section of the paper. We were on the cover. In fact, we

1 had three photos in the paper. So it was very well  
2 received and I was written by Craig Harris, who is an  
3 Investigative Reporter. He's usually beating up people.  
4 So, this was a soft piece. We came across in a very  
5 positive light.

6 Any questions -- and I invite you out. As my  
7 schedule is out there, you're welcome to join me.

8 The next item is the Family Campout Program has  
9 been a huge success. Nicole Armstrong keeps working  
10 that. I was actually part of one of them at Kartchner.  
11 We had scheduled five families, four showed up, and they  
12 did archery. And I want to recognize -- we have a number  
13 of Rangers who are now qualified to teach the archery  
14 with the partnership of Game and Fish who came out and  
15 trained us, a number of our guys and gals are qualified  
16 now.

17 We went out and shot archery, we hiked around  
18 and then they cooked a little, we ate a little, we sat  
19 around the fire and had s'mores and it was a great  
20 experience. It's mostly single moms and their kids. And  
21 the kids ranged in this case from about 10 to 15. And  
22 the cell phones did not come out even though we do have  
23 coverage at Kartchner, the cell phones did not come out  
24 and the kids did a great job of running around and

1 interacting around the fire and those things and it was  
2 cool for me.

3 It just happened to -- I was sitting around  
4 talking them and ask them how many had ever been camping  
5 before and none of them had been camping before. As  
6 we're sitting around the fire, I said, I started camping  
7 when I was four-years-old with my grandpa. He would take  
8 me out camping down south at Patagonia, we'd go down  
9 there and go camping. I said, "You never know where  
10 camping will lead you, where you'll end up. As I sit  
11 around the fire again 40-plus years later

12 So it was good. The kids started to get that  
13 this was an alternative to their normal sit-in-front-of-  
14 the-computer lifestyle. And the moms were very  
15 appreciative. They were, "I think it's a very good  
16 program." It's been well received. We continue to do it  
17 throughout a number of our Parks and it's a great  
18 success.

19 There's a service project that's involved with  
20 it. They're supposed to do something for the Park. I  
21 want to thank Chris Demille, the Manager at Kartchner.  
22 Their service project was helping to open and clean the  
23 cave. They actually got into the cave before it opened  
24 and helped to clean it. What a great opportunity to be

1 in the cave before the tours and see, this is at least  
2 one aspect of Arizona State Park.

3 MALE SPEAKER: Nicole gave a presentation at  
4 the Biennial National Scenic and Historic Conference that  
5 I sat in on. She did a very nice job.

6 MR. MARTYN: Thank you sir, I'll pass that  
7 along. Yeah, apparently, there's some sites at Catalina  
8 and Patagonia.

9 Do you know where those slides are?

10 MALE SPEAKER: It's going to be coming up.

11 MR. MARTYN: All right. Next. Yeah, that's  
12 the campout series there. I would say Tonto -- we'll see  
13 it in upcoming events as well. I'll be at Tonto Saturday  
14 for the Taste of the Bridge, and I was going to camp  
15 there on Friday, but I've got obligations Saturday  
16 morning in North Scottsdale. We're got a land thing that  
17 we're hosting.

18 This November 2 at Alamo Lake, that event is  
19 also an agency-wide campout that you're invited to.  
20 You're invited to all the events. But agency-wide  
21 campout, November 2. But then I'm going to head down  
22 towards Tucson, Lost Dutchman, then my last hoorah is on  
23 the West Coast, Buckskin, Cattail and Lake Havasu. Next  
24 slide.

1                   There's our Taste of Bridge I mentioned.  
2           Tubac's got their event going on that same Saturday.  
3           This Inside the Cave Photography Tour is being hosted by  
4           the Friends Group and we had some issues with that that  
5           we talked about. The Friends Group, we weren't charging  
6           them to get into the cave. It was you pay \$150 for  
7           Friends Group and you get to come into the cave and take  
8           pictures and we were kind being generous and letting all  
9           the proceeds go to the Friends Group. We don't exist to  
10          support Friends Groups. Friends Groups exist to support  
11          us.

12                   So we made it clear that they will pay to go  
13          into the cave at the group rate, but (indiscernible). We  
14          still put staff on the tour. They don't go through by  
15          themselves, so we're talking. You know, we're talking  
16          about the relationships there, trying to get that group  
17          up and running again.

18                   Down at Patagonia, that Triathlon is a big deal  
19          if you're down that way. That's a big deal. And I'm  
20          happy to see that continues to move forward. Alamo,  
21          Starry Nights. Tubac again. The Oracle piece, I may  
22          swing out to bat. I had breakfast with Ed Rosen who did  
23          Saddlebrook, Mountainbrook. Saddlebrook Ranch is one of  
24          his communities that's doing very well, fifteen minutes

1 from Oracle and Mr. Rosen wanted to know what he could do  
2 for Oracle.

3 So I'm trying to find a project between 50 and  
4 \$250,000 and we will get Mr. Rosen -- about the value  
5 added to his community as we advance Oracle.

6 Are you back on line?

7 MS. HICKMAN: I am back on line. I'm going on  
8 for about two seconds.

9 MR. MARTYN: Roger that. Thank you. Anything  
10 to add to this?

11 MALE SPEAKER: No. But if you haven't been to  
12 Anza Days, it's a blast. It was a lot of fun down there.  
13 Of course, Tubac is always been fun. And in supporting  
14 that one is -- that Park is completely run by our  
15 partners, the Friends of Tubac Presidio State Park. So  
16 always a good idea to support them. Every dollar there  
17 helps.

18 MR. MARTYN: Amen. And we are working with the  
19 County on Tubac's -- it's outside the scope of this  
20 conversation.

21 MR. VICE CHAIRMAN: So what is the  
22 (indiscernible) Oracle?

23 MR. MARTYN: Oracle is -- I think they'll just  
24 sit around in the Friends Group.

25 MR. VICE CHAIRMAN: Listen to the -

1 MR. MARTYN: Get them out to the Park.

2 MALE SPEAKER: There might be wine involved.  
3 You might need to come down.

4 MR. MARTYN: I can bring a bottle of wine if  
5 you'd like.

6 Just so you know, I will be -- when I do the  
7 Oracle, my trip to Oracle, of course we have no camping  
8 at Oracle, but I will spend the night out there and I am  
9 meeting with the guy who supports Oracle, who's also the  
10 head of the Arizona Trail, and we have two miles of the  
11 Arizona Trail on Oracle State Park and I will hike with  
12 him. So we're engaging the community and this is another  
13 part of the Camp Out Series.

14 November 8 is a big deal. 10th anniversary.  
15 Right now we're up to about 85 or so guests not including  
16 the Governor. The Governor will be there. The Governor  
17 will be there. As far as I know this is her first at a  
18 State Park, at least in my tenure. So we're anxious  
19 about that.

20 I'd like to give kudos to Aramark and Arteneo  
21 (phonetic) who are hosting the food for the event. So  
22 that's a good thing. That's a good thing for us because  
23 we have no way to buy that food. And you figure for 100  
24 people at \$10 a plate, it's \$1,000 worth of food.

25 MR. VICE CHAIRMAN: It's on Friday, correct?



1 MR. STETSON: (indiscernible)

2 MR. MARTYN: What's on Friday?

3 MR. STETSON: Legislative

4 MR. MARTYN: Oh, Kartchner. And speaking of

5 Kartchner -- thank you -- tomorrow I'll be Kartchner.

6 I'm hosting Dave Gowan and about 20 legislators that are

7 going through the cave. And we're going to talk about

8 the good things that Arizona State Parks need to rule

9 Arizona and Arizona in general. So that's a good thing.

10 We're doing what we do. Mr. Gowan asked for

11 that and so we're hosting it. And with that, Mr.

12 Chairman, if you have any questions about any of the

13 goings on of the Director of the Agency.

14 MS. DAGGETT: On the Friends Groups that were

15 mentioning that help with a lot of the events --

16 MR. MARTYN: I haven't found a lot of Friends

17 Groups who really help with a lot of the events.

18 MS. DAGGETT: Do you have a - do you have a

19 model Friends Group or Mission Statements of each Friends

20 Group?

21 MR. MARTYN: I'm happy to -- Mr. Chairman and

22 Ms. Daggett, I'm happy to provide you with all the

23 Friends information. Those run through Nicole as well.

24 Also those Friends Group, some of them run through the

25 Foundation. As far as a model group, I don't know --

1 we've done better than in the past than we do today. But  
2 there are some Friends Group -- Catalina actually does a  
3 pretty good job down there advocating and raising monies.  
4 Oracle Friends have done a lot to keep that boat alive.

5 MALE SPEAKER: The benefactors.

6 MR. MARTYN: Yeah, the Benefactors of Red Rock,  
7 thank you. They've done a fantastic job in that  
8 community. So we have some successes, we have other  
9 groups that need a little more love and attention. And  
10 we'll work through the Foundation. We at the Agency are  
11 trying to figure out the best role for the Foundation and  
12 what Foundation does not only to support Friends Groups  
13 and enhance them, but also in terms of fundraising and  
14 advocating with the Legislature and local communities.

15 But I can get you all the information we have  
16 on our current Friends Group. But I think it might be  
17 worth a discussion off-line and I'll give you my two  
18 cents on what's going on. If that's all right.

19 MS. DAGGETT: Thank you, sir.

20 MR. VICE CHAIRMAN: I compliment the Director  
21 on the wide selection of your calendar. It seemed like  
22 you were (indiscernible) and as the weather is cooling  
23 you're going south.

24 MR. MARTYN: Thank you, Mr. Chairman. I only  
25 got rained on, poured on all night long in Show Low this

1 last week and there was ice on my tent in the morning at  
2 Homolovi. We made it. Thank you, Mr. Chair.

3 MR. VICE CHAIRMAN: Do you have more?

4 MR. MARTYN: No, sir, Mr. Chair.

5 MR. VICE CHAIRMAN: Item E -- F. There is  
6 quite a bit of information in our packet that we read  
7 about that and information was also present. I would  
8 accept a motion.

9 FEMALE SPEAKER: Mr. Chairman, I'd like to  
10 award up to \$20,000 for the Recreational Trails Program  
11 to the Old Spanish Trails Association, to fund  
12 sponsorships for the Biennial National Scenic and  
13 Historic Nationals and Historic Trails Conference and to  
14 direct the Executive Director to execute the appropriate  
15 amount.

16 MR. VICE CHAIRMAN: Any second?

17 MALE SPEAKER: I'll second it for discussion.

18 MR. VICE CHAIRMAN: We have a motion and a  
19 second. Now for discussion?

20 MALE SPEAKER: In the original packet, I have a  
21 sheet that said "Eligible (indiscernible). And I don't  
22 believe it was in the final packet. Is this to be  
23 ignored now because I'll tell you, the only thing I was  
24 concerned about is it's listed here as "Labor, hourly  
25 rate." "Registration: \$165." That's got to be I'm

1 reading something wrong there. That's not \$165 an hour  
2 for somebody to sit at registration.

3 FEMALE SPEAKER: (indiscernible).

4 MALE SPEAKER: Oh, okay.

5 FEMALE SPEAKER: Oh, okay. Mr. Chairman, would  
6 we assume that the cost of registration of \$165 and an  
7 hourly rate for the staff (indiscernible). I didn't see  
8 it in that packet either.

9 MALE SPEAKER: Mr. Chairman, I believe that  
10 there is a (indiscernible).

11 MR. VICE CHAIRMAN: Yeah.

12 MALE SPEAKER: Six cents. (Indiscernible) I  
13 just found it interesting.

14 MR. MARTYN: That just covered the fee to the  
15 horse, sir.

16 (Laughter)

17 MALE SPEAKER: Mr. Chairman, if I may, just to  
18 help a little further. That table shows that we would be  
19 -- that our latest, their latest guestimate is of what  
20 the costs are going to be (indiscernible).

21 I just point out (indiscernible) proposal. And  
22 just for your information, items that they, I guess, took  
23 objection to with regard to matching funds,  
24 (indiscernible). And then the other thing was that is a  
25 sort of pass-through from (indiscernible) to you and to

1       them, in particular, the State Trails in the sense that  
2       staff has not made a recommendation. Their comment there  
3       Saturday was well, gee, did you have a grant procedure?  
4       And we did not because we didn't really have the month.  
5       This is a good cause and we're presenting it to you.

6               They didn't have an issue with the purpose of  
7       the project (indiscernible).

8               MR. VICE CHAIRMAN: So we're saying up to  
9       3,000, but the latest estimate is (indiscernible), right?

10              MALE SPEAKER: Right. And the other thing to  
11      point out (indiscernible) is that all these Federal funds  
12      basically, and so he's working hand-in-glove with the  
13      Highway Administration and I'm pushing speed with them  
14      because they're looking at every single item with regard  
15      to (indiscernible).

16              So yes, my understanding is that the  
17      (indiscernible) 3,000 for us.

18              MR. VICE CHAIRMAN: Questions? We have a  
19      motion and a second. All in favor, please see aye.

20              (Chorus of "aye.")

21              MR. VICE CHAIRMAN: And opposed? Ayes carry.

22              MALE SPEAKER: Thank you very much.

23              FEMALE SPEAKER: (Indiscernible).

24              MR. VICE CHAIRMAN: Thank you.

1 FEMALE SPEAKER: Open invitation  
2 (indiscernible). Thank you very much.

3 MR. VICE CHAIRMAN: Item G.

4 MR. MARTYN: Yes. Mr. Chairman, Board Members,  
5 I will be representing -- I will be talking very briefly  
6 about Margaret Bailey, CHM Government Services, which  
7 we've currently contracted for relative to the evaluation  
8 of the Park system and how we're doing.

9 As you may or may not know, Margaret did come  
10 out to the Parks and she and Jay were touring and her  
11 mother passed away while she was here and so she went  
12 back to Massachusetts and she will be back out at the end  
13 of the month for Jay to continue with their tour.

14 You have this sheet as well, I believe, in  
15 front of you, that talks about what Margaret has done.  
16 I'm not going to read it. I will talk about just a very  
17 few brief things.

18 You know, we talk about our unit costs and how  
19 we're doing. We are doing amazingly well. We're at 72  
20 percent recovery cost. I will tell you the national  
21 average is 45 percent for State Parks. So that's --  
22 that's very good. The goal given the current situation  
23 with the Legislature, is to get to a 100 percent. That  
24 is a challenge given our current inventory of Parks, in

1        spite of how efficient we run, or even the concession  
2        piece that we are also exploring.

3                So we're doing well on numbers. We're going to  
4        continue to look at evaluating our Parks and seeing where  
5        -- what potential lies in the Park. That's kind of her  
6        gig right now. Where can we make more money? How can we  
7        enhance our Parks relative to the concessions? It's not  
8        a matter of running the Parks. At this point, the  
9        direction that the Agency is going is, we will continue  
10       to run all the Parks. The concession piece or all those  
11       extras, whether it's renting a boat or selling a beer or  
12       renting a marina or a lodge as the case may be, that will  
13       be the concessions' job. And we have to take that position  
14       based on our current FTE cap that we have, an  
15       administrative FTE cap and the aversion to the perception  
16       of growing government within the Agency.

17               So that's the direction we're going. Margaret  
18        Bailey will give us the answers to the test when it's all  
19        done. Basically, I use that as an analogy to tell us  
20        when we put out an RFP, if the math will support it and  
21        we put out the RFP, we will know, the responses that we  
22        get back, we will know if they're fair or not. So we  
23        know what options are available -- what opportunities lie  
24        within our Parks.

1           So that's of course we're going there. We have  
2           invested in her services, and if it's appropriate, we  
3           will possibly ask you to continue those later on in the  
4           spring. But she's doing a good job communicating with  
5           us, and as we look on here out into the future, she's  
6           going to keep working on this.

7           I am -- I am hopeful that we will have an idea  
8           by January on whether it's economically viable for the  
9           Agency to move forward with a robust single  
10          concessionaire partner. We'll know based on the numbers.

11          If that's the case, we will initiate the RFP  
12          writing process and that will take another virtual  
13          assistant writing that RFP and then it will be on the  
14          street, theoretically on the street, and I look to  
15          possibly bring a request for an award to this Board about  
16          a year from now.

17          So everything we're doing is math based.  
18          There's very little gut involved here and I think that's  
19          the direction -- a wise direction for the Agency to go.

20          In addition -- do you have any additional  
21          questions about what Margaret's been doing, Mr. Chairman,  
22          Board Members?

23          In addition to -- I'm going to transition to  
24          the next item if it's all right, Mr. Chairman. In  
25          addition to the evaluation of the Agency, she's also been



1       working on the BLM piece on Contact Point, third-party  
2       concessions. Unfortunately, it's not just Contract  
3       Point. It is our West Coast and there are a number of  
4       contentious issues relative to third-party concessions on  
5       our properties. She is working closely with our Federal  
6       Lobbyists to solve that quandary and I think we're  
7       getting closer and closer.

8               With that, Mr. Chairman and Board Members --

9               MR. VICE CHAIRMAN: Can I interrupt? Before we  
10       get into that any further, when we did our West Coast  
11       trip a year-and-a-half ago, was it Cattail Cove the  
12       concession we were looking at and thinking that they were  
13       really getting taken to the cleaners? When does that  
14       come up for (indiscernible)?

15              MALE SPEAKER: Well, both of the concessions  
16       that we have over at Buckskin River and Cattail Cove, one  
17       expires -- Cattail Cove expires in 2015 and Buckskin  
18       River Island expires in 2018. Both of those concessions  
19       pay us 2 percent of gross.

20              MALE SPEAKER: We're getting (indiscernible)  
21       Cattail Cover is January 31<sup>st</sup> of 2015, so payment on both.  
22       (Indiscernible), that's coming up, that's almost around  
23       the corner.

24              MR. VICE CHAIRMAN: Is that the one we had to  
25       do a restaurant up there?

1                   MALE SPEAKER: That's Cattail. I always take  
2 people there to dine. I took the Governor's office there  
3 to dine. Eye opener.

4                   MALE SPEAKER: Leave a 2 percent tip?

5                   MR. VICE CHAIRMAN: Proceed.

6                   MR. MARTYN: Mr. Chairman, Board Members, I'd  
7 like to introduce the representatives for Nexus  
8 Consulting. Nexus Consulting is our Federal Lobbyist and  
9 they're headed by Bob Holmes and Mr. Travis. Bob Holmes  
10 is our Washington representative. Richard Travis is an  
11 Arizona representative, Arizona-based lobbyist. So with  
12 that, I'd like to turn it over to Mr. Holmes.

13                  MR. HOLMES: Well, thank you, Director and  
14 Board Members. It's an honor to be here especially at  
15 this time of the year when the weather is nice. If you  
16 can arrange the next Board meeting that come out to in  
17 February, I'd really appreciate it because the weather is  
18 just -- the weather there is bad and the storm on Capital  
19 Hill is worse.

20                  And before I get started, everyone asked me,  
21 what's going on with Washington? So apparently, they cut  
22 a deal (indiscernible). They're going to run it through  
23 the House this afternoon. And if they run a Bill through  
24 the House, the Government shutdown -- if they run a Bill

1 through the House and they don't need 60 votes to  
2 filibuster in the Senate.

3 So by this afternoon or this evening we should  
4 have an idea of whether (indiscernible). That will  
5 increase the debt limit until we run out of money about  
6 February 17 and government operations February 15. So,  
7 we may have to go through this rigmarole again.

8 But I digress. It's a first update I have to  
9 give to everybody.

10 When we were engaged by the State Parks, we  
11 identified four quarter goals we wanted to have for a  
12 year. Those four goals were identifying what the top  
13 priorities were for Parks as far legislative,  
14 administrative.

15 Then our second goal was to educate both  
16 congressional representatives on the federal level  
17 including the Governor's office in Washington  
18 (indiscernible) representative and some of the agencies.

19 And our third goal was targeting some of the  
20 State and Federal programs. Since all of them are  
21 (indiscernible), some of the State programs are actually  
22 Federal programs that pass through (indiscernible) and  
23 others.

1                   And then our final goal and most important  
2                   goal, obviously, is trying to secure legislation, secure  
3                   Federal funding.

4                   So with that, we met with the Director and the  
5                   staff to kind of identify their top three -- and they're  
6                   not limited to use these three projects, but they're the  
7                   top three we identified. Obviously, the EPA -- the first  
8                   one is the EPA mandates (indiscernible) it can triple the  
9                   (indiscernible).

10                  So we've got to find a way to get out of those  
11                  mandates, or rectify those problems. (Indiscernible).  
12                  That's the first one.

13                  The second one, and Bryan alluded to it a  
14                  little earlier, is Contact Point, third-party  
15                  concessions. Third-party concessions, we have problems  
16                  with the lease and we're making real good progress there.

17                  And a third is Kartchner (indiscernible)  
18                  waterline there kind of take care of the (indiscernible).  
19                  Obviously, take care of that.

20                  So with that, in July the Director made a  
21                  (indiscernible), we came to D.C. two days. I ran him  
22                  around, he had his running shoes. We had 16 meetings.  
23                  We had everyone in the congressional delegation, we've  
24                  had Governors, our Washington representative. We got  
25                  very good feedback from them. We got buy-in from all of

1       them. And the goal maybe was to educate them about State  
2       Parks and how it's a (indiscernible) of the Arizona  
3       economy.

4               MS. HICKMAN: (by phone - indiscernible).

5               MR. HOLMES: And the treasures that they are.  
6       And then on top of that, we want to be able  
7       (indiscernible). We wanted to talk with BLM and we made  
8       real good progress with BLM.

9               We want to target some of our Federal and State  
10       priorities. For Kartchner, we're looking at really a  
11       couple of opportunities.

12              MR. MARTYN: Mr. Homes and Mr. Chairman, I  
13       might want to recognize, Mr. Homes was able to secure us.  
14       We have our posters, our pictures, in every single office  
15       now of our congressional delegation. Our 20's x 30's.  
16       If there's a Park in their District, they have a picture  
17       of that. If they don't have a Park in their District  
18       they have pictures.

19              So Arizona State Parks is now represented in  
20       every office of our congressional delegation in  
21       Washington. I want to thank Mr. Homes for making that  
22       happen.

23              MR. HOLMES: Thank you. They are strategically  
24       placed. We have obviously Senator McCain, Red Rock and

1       he's got a house up there, so. Very good targeting by  
2       (indiscernible).

3               We've got several targeting opportunities. The  
4       grant cycle generally in D.C. where fiscal year ends  
5       September 30 so the new fiscal year started October 1.  
6       Obviously, we don't have funding for the new fiscal year,  
7       which we're now into FY '14.

8               The -- typically the Grant programs run, and  
9       that's how we're running on, because there are no  
10      earmarks anymore, so what happens is, instead of sending  
11      earmarks they now send a pile of money down to the  
12      administrative agencies and (indiscernible).

13              So the grant proposals usually are running from  
14      about December through July. So that's when we're going  
15      to really start ramping up our grant proposals, towards  
16      the end of this year for various funding.

17              There are others, like EDA and rural  
18      development that have larger pots of money that operate  
19      on a quarterly basis. So we're going to start getting  
20      into those soon. What happens is, there are -- since  
21      there's such big pots of money, people apply multiple  
22      times, they use the same grant essentially over and over  
23      again. What you try to do is improve the process.

24              And what happens is they backslide a lot of  
25      these. In other words what they say is, listen, we don't

1       have enough money this year, this session, this quarterly  
2       grant period, apply for the next one. So it's imperative  
3       that we get into that process as soon as possible. And  
4       EDA is going to be really an integral part of our  
5       solution in rural development for funding some of these  
6       projects we have in State Parks.

7               If not, especially with Kartchner, Congressman  
8       Barber has already assured us -- Congressman Barber  
9       actually presented at Caverns with the Director a few  
10      months ago, had a good tour. Actually he's given a tour  
11      of his Legislature. And that's kind of an interesting  
12      dynamic because Congressman Barber is a Democrat in the  
13      Republican House, and he is the number one target for  
14      Congressional Republicans (indiscernible).

15             Congressman Gosar whose Committee this  
16      Legislation, he has pledged to actually support that  
17      legislation so it gives us a better opportunity.

18             Some of the other meetings we had, we met with  
19      IMCS which is a Museum and Library Services. There are  
20      great opportunities there to historic money, get money  
21      for some of our libraries and historic documents. I know  
22      Riordan has some, Slide Rock has some, so there's some  
23      opportunities there.

24             Department of Transportation has -- we can get  
25      into ADOT, but there's a nexus between ADOT and

1 Department of Transportation. Most of the Federal  
2 funding that comes through, comes through and is passed  
3 through ADOT. But there's opportunity to get recreational  
4 sales funding, conservation and other funding, besides  
5 roads, which is obviously important.

6 Another opportunity for Land and Water  
7 Conservation Fund. In fact, I just told the Director  
8 that they actually found another, just before the  
9 shutdown, the Interior Secretary Jewell, directed another  
10 -- through the programming, through the formula, another,  
11 about another \$80,000 at the State. So there's  
12 opportunity to get funding for some of the grants there.

13 And through the State, I've been talking to  
14 Sandy Sutton who is the Executive Director of Wastewater  
15 Infrastructure Finance Authority about funding some of  
16 the potential wastewater and sewer line. And she's also  
17 put me in contact with ADEQ (indiscernible). So we're  
18 talking to them about potentially being funded through  
19 the State as well as the Wastewater Fund.

20 And finally, Rural Development. Alan Stevens  
21 is head of Rural Development. We have worked closely  
22 with him in the past. There may be an opportunity. He's  
23 not in this office. We were planning to meet with a lot  
24 of these people as the shutdown (indiscernible). There  
25 may be opportunities for us to meet with Alan.



1           So with that, there's a couple of things I  
2       wanted to talk about. Lake Havasu, it's obviously huge  
3       for the State Parks. We met with the Assistant Director  
4       of BLM when the Director was in town, Mike Nedd. We've  
5       had follow-up meetings. She directed us to the State  
6       Director, which is Ray Soza. We've been meeting with Ray  
7       and we've been working Margaret Bailey as far as some of  
8       the -- we'd like to solve this administratively with the  
9       Legislature.

10           The City - I'm sorry. The Maricopa County  
11       Parks -- R.J. sits on the Board obviously, has been  
12       unsuccessful in trying to get them to solve this third-  
13       party concession issue administratively.

14           We think we may have an opportunity to solve  
15       this, and if we do, Jay can speak to that as well. If we  
16       have the opportunity to solve it administratively, we'd  
17       like to get it done. If that does not work, we will move  
18       legislation -- Congressman Gosar has drafted legislation.  
19       I haven't shared it with anybody yet, because I've asked  
20       him to hold off on it a little bit because we're trying  
21       to, again, solve this administratively.

22           MALE SPEAKER: I understand it's hard to  
23       schedule a meeting with him.

1                   MR. HOLMES: It's very hard to schedule. So  
2 we'll get something moving in that regard one way or  
3 another.

4                   Kartchner Caverns, we're working with  
5 Congressman Barber and Congressman Gosar to get  
6 legislation or to get administrative money through EDA,  
7 Rural Development potentially even (indiscernible).

8                   Finally, do you want to talk a little bit about  
9 the Arizona (indiscernible)?

10                  MALE SPEAKER: Very quickly. I was at the  
11 Arizona League of Citizens and Towns. We had the letter  
12 that the Board (indiscernible) to try to forge the Lake  
13 Havasu attempt to take over State Parks.

14                  The short of it is, the Mayor of Yuma was very  
15 helpful once he had additional information. And in  
16 working with Mayor (indiscernible) of Clarkdale who is on  
17 the Executive Committee, a resolution came up. We were  
18 able to put that genie back in the bottle.

19                  I also attended the Greater Arizona Mayor's  
20 Association meeting, which came at the end of the  
21 conference. This is a group of Mayors from Yavapai  
22 County, Coconino County, and Mohave County. And the  
23 issue was going to be brought up again as a priority to  
24 that. We suggested that another priority should be the  
25 focus of the group, the sole priority of the group and

1 the group agreed. So we were able to push that off of  
2 that group's agenda.

3 That being said, I think it's clear that the  
4 mood in Lake Havasu has not changed. They were just not  
5 successful this year in gaining allies and getting to  
6 hold with that particular association to move that agenda  
7 forward.

8 I know you did the SWOT analysis, that's  
9 something that will remain out there as a threat.  
10 However, over the years, my dealing with that particular  
11 City and City Management, I think the fact that the  
12 Agency is so close to moving forward with Contact Point  
13 with reaching either an agreement with BLM, either  
14 voluntarily or at gunpoint, that hopefully they will see  
15 that there is progress, there is movement forward that  
16 everyone could rally around as opposed to trying to  
17 figure out how we are going to divide a State Park.

18 MR. MARTYN: How much is SLIF funding at your  
19 Parks?

20 MALE SPEAKER: Seven and a half.

21 MR. MARTYN: So I mean it's a significant  
22 chunk.

23 MR. HOLMES: Significant chunk of change that  
24 if Parks lost, fees will hurt.

1           Those are some of the things we're working on.  
2           I know I went through this really quickly. I see you  
3           guys have a busy Agenda.

4           But I wanted to answer any questions you had.  
5           If you guys have any ideas, anything, please feel to  
6           contact us. I'll leave my card. Bryan's got our card  
7           and our information, and hopefully you won't have to have  
8           me working on this (indiscernible).

9           MR. VICE CHAIRMAN: Questions?

10          MR. MARTYN: Mr. Chairman, if I might bring up  
11          this, talking the legislative piece. Richard has also  
12          agreed to help out a little bit at the State level as  
13          things pop up. His focus is Federal and those big  
14          issues. But at the State level this year, we suspect  
15          that the last year's Bill that went through relative to  
16          the vehicle license tax, optional at the time, which had  
17          great support on both sides of the aisles and both  
18          Houses, both appropriations, Chairs, agreed with it as a  
19          good deal, and then it was held at the Senate on  
20          political play. There is an opportunity again it may  
21          come back this year and we have to find the right sponsor  
22          for it. The dynamics in the Legislature this year are  
23          very interesting relative to how things played out at the  
24          end of last session in the Governor's dedicated piece.

1           So we're moving forward on that. We're still  
2       looking to garner our 12 percent, Hopi, our Native monies  
3       that are out there. So we're working hard on that.  
4       Those are some of the big ones at the State level.

5           MALE SPEAKER: I'm glad you bring up 12 percent  
6       because it's an opportunity. Gaming is now coming back.  
7       So, you know, everyone saw Tribes as an ATM in the past  
8       (indiscernible). Certainly, we'd like to partner with  
9       our Native Tribes, especially like Mohave which is a  
10      Reservation.

11           But there are opportunities again for the 12  
12      percent. I've actually talked with (indiscernible) at Ak  
13      Chin and they're interested in Picacho Peak. So I think  
14      that's an opportunity. We have to go through the grant  
15      process to do that.

16           MR. VICE CHAIRMAN: Explain the 12 percent.

17           MALE SPEAKER: So Tribes, in a (indiscernible),  
18      they sign with the State. Tribes sign a contract with the  
19      State to allow gaming on Tribal lands. Part of that  
20      money they have to give 12 percent back to the local  
21      community for anything from education to -- so those are  
22      the extra monies that they have to divvy up to the local.

23           MALE SPEAKER: And you may have seen a donation  
24      to a fire department.

1 MR. VICE CHAIRMAN: There are a lot of local  
2 organizations trying to get that money.

3 MALE SPEAKER: It's hyper-competitive, but you  
4 know, again, Picacho Peak is important to the Native  
5 people. So I think we can make a really good argument.

6 FEMALE SPEAKER: Mr. Chairman, all the compact  
7 agreements with those Tribes as far as operating funding  
8 to the State on those, is that specifically earmarked for  
9 tourism on their portion of it? Because they've got  
10 dedicated funding from the State from the Tribes, and so  
11 do they do their projections on tourism based on that.  
12 Do we get any portion of that?

13 MR. MARTYN: It's their discretion. It's their  
14 discretion.

15 MALE SPEAKER: They don't have to spend the 12  
16 percent. They can spend it all on (indiscernible) they  
17 can spend it on --

18 MALE SPEAKER: Mr. Chairman, I think the  
19 question is, the portion that goes to the State, if I  
20 remember is the Native American's -- most of the Tribes  
21 got together and put that on the Ballot. It passed.  
22 Their language just says it goes to the State.

23 FEMALE SPEAKER: But they do get it  
24 specifically for tourism? I mean, Arizona Department

1 (indiscernible). So that's my question. Do we get any  
2 portion of that amount?

3 MALE SPEAKER: That's up to -- That's not up to  
4 the Tribes, that's up to the State.

5 FEMALE SPEAKER: Correct. So tourism gets it  
6 all?

7 MALE SPEAKER: They get to use at their  
8 discretion?

9 MALE SPEAKER: I think so.

10 MR. VICE CHAIRMAN: There are some  
11 opportunities throughout some of the smaller Tribes  
12 (indiscernible). The Yavapai Apache at Fort Verde, it  
13 wouldn't take a lot to help Fort Verde. It could be a  
14 small percentage of the Yavapai Apache.

15 The Fort McDowell Reservation now owns Coppola  
16 resort. So even though Fort McDowell Reservation has not  
17 made some money, they own the resort there now. That  
18 could be a Red Rock (indiscernible).

19 MALE SPEAKER: I've worked with Tribes in  
20 Arizona for almost 20 years now. So, I've got good  
21 contacts. I think it's one our priorities is getting the  
22 12 percent because it's starting to (indiscernible). So  
23 it's a good opportunity. Where the Federal thoughts are  
24 shifting, the Tribal thoughts are (Indiscernible).

1       Tohono O'odham, Ak Chin, Salt River -- I represented Salt  
2       River for close to 15 years, so.

3               MR. VICE CHAIRMAN: (Indiscernible). They have  
4       a lot of --

5               MALE SPEAKER: Anything else, Mr. Homes?

6               MR. HOLMES: Do you have any questions?

7               MR. MARTYN: Thank you, Mr. Chairman. That  
8       concludes the Consult Update, if anyone has questions.

9               MR. VICE CHAIRMAN: Thank you. Okay, we're at  
10      Item H.

11              MR. MARTYN: Mr. Chairman, as we begin this,  
12      you know the Agency recently went through a SWOT  
13      analysis, and I think it's important that as Board  
14      Members you get a chance to weigh in on what you think  
15      we're doing well and what we're not doing well. And so  
16      I've asked our SWOT team to do this yet one more time, to  
17      get your ideas. One, 'cause I'm very curious to see what  
18      your ideas are and engage you; and two, you get to kind  
19      of see what we've done throughout the Agency not only  
20      with our employees, but also with our volunteers.

21              So if it does come up at some point, you're  
22      educated on our methodology as we move forward with this.

23              So with that, there's a number -- there's quite  
24      a bit of information in your packets about what SWOT is  
25      and the like. But you are in the very capable hands of



1       -- who is going to run this? -- Annie McVay is going to  
2       start this and I'll turn it over here, if that's all  
3       right with you, Mr. Chairman.

4               MS. MCVAY: We had the opportunity to go to  
5       visit with every Park in the Agency. At some Parks we  
6       had separate meetings between Park staff and volunteers  
7       and community stakeholders. We also met with every  
8       section and department within the City of Phoenix and we  
9       asked them the same sort of questions.

10              We wanted to hear your perspective, so we'll go  
11       through the same exercise that we run through the City of  
12       Phoenix.

13              Before we get there, we wanted you to  
14       reintroduce yourselves to us -- not as Board Members, but  
15       as more participants in. So if can introduce yourself,  
16       just your first name, we don't need to know your last  
17       name. Tell us your name and sort of a fond memory you  
18       have with Parks.

19              MS. DAGGETT: I'll start. I'm Kay and my  
20       fondest memory with Parks is going down in the Kartchner  
21       Caverns when it was open to the public. That was many  
22       years ago. I was much younger and much more agile.

23              MR. VICE CHAIRMAN: My name is Alan and I  
24       haven't had a (indiscernible/laughter). My memory is, I  
25       went to school my freshman year at NAU and we used to

1       come down to Slide Rock before actually it was a State  
2       Park and we could skinny dip here. It's a great place and  
3       it's still one of my favorite places.

4               MR. ARMER: I'm Wally, and actually one of my  
5       fondest memories was before I was on the Board and it was  
6       also Kartchner. I went through with the Crew Discoverers  
7       and Ken Travis with our daughters. I think that's what  
8       got my daughter to graduate from NAU (indiscernible) on  
9       Kartchner for Arizona -- Geology of Arizona class she  
10      took. She thought it was going to be really easy.

11             MALE SPEAKER: Not in Arizona.

12             MS. MCVAY: That was one of the best parts  
13      about this process -- oh, sorry. Ms. Hickman?

14             MS. HICKMAN: You know, it's hard for me to  
15      hear what exactly the main question was. I know that  
16      you're talking about the SWOT, but I don't know if it was  
17      just overall input or if there was a specific question  
18      that you'd ask.

19             MS. MCVAY: At this point, we're asking the  
20      Board Members to re-introduce themselves and offer a  
21      relationship or a fond memory they have of the Parks.

22             MS. HICKMAN: Okay. I think I heard the last  
23      part, a fond memory of a Park.

24             MS. MCVAY: Correct

1 MS. HICKMAN: Well, that was actually a recent  
2 one. I had a great opportunity to go up to Dead Horse a  
3 few weeks ago with my 22-month-old and my five and a half  
4 year old. We spent two and a half days up there, and,  
5 you know, there are these two are used to spending a lot  
6 of time at Arizona resorts not a lot of time at Arizona  
7 State Parks. So we had a fantastic time playing in the  
8 water, exploring all the, you know, animals and the  
9 insects and spiders, the trails and, you know, the little  
10 Park area there, and we played all day long and were  
11 exhausted by 7:00 every night and it was an incredible  
12 experience. I will definitely being more of it.

13 So, the State Parks are an incredible asset to  
14 Arizona, so. I'm starting to realize that more and more  
15 as I participate on the Board, so.

16 MS. MCVAY: All right, great. Thank you. It's  
17 good to hear these stories of what took place outside of  
18 the formal walls of your Board meetings.

19 We're going to go through a very standardized  
20 SWOT question, but before we do that, we want to hand out  
21 color paper and some markers, and ask you one guiding  
22 question. And this can be -- there is no wrong answer.  
23 This is just sort of your vision.

24 When you look ahead for five years with this  
25 Agency, what does success look like for State Parks in

1 the next five years? So you write one idea per card and  
2 we'll put them up on the wall.

3 And Vanessa, I'm not sure the best way to  
4 include you in this process.

5 MS. HICKMAN: I think I will do a lot of  
6 listening, I think that's probably the best way.

7 MS. MCVAY: Okay. One idea per sheet of paper.

8 MS. HICKMAN: It's hard because I'm not there.

9 MALE SPEAKER: We don't have to use them all.

10 MALE SPEAKER: Yeah, but you can.

11 MS. MCVAY: Yeah, if you need more we can give  
12 more sheets of paper. But three to five. One idea per  
13 card. When you look forward to five years what is  
14 success look like for this Agency?

15 MR. MARTYN: Vanessa, I'm sitting right next to  
16 the phone. If you want to participate you can talk and I  
17 can hear you without interrupting the whole room.

18 MS. HICKMAN: Okay. I appreciate it Bryan. If  
19 I have a revolutionary idea, I will throw it out there.

20 MR. MARTYN: I'm ready. I have colored paper  
21 in front of me ready to copy whatever your revolutionary  
22 idea may be.

23 MS. MCVAY: Any idea you have. We suggest  
24 three to five, but any idea you have.

1                   MR. MARTYN: And I'm glad to hear that you and  
2 the girls had a great time out of the Park.

3                   MS. HICKMAN: It was fabulous. I can't wait to  
4 go back. Thank you.

5                   MR. MARTYN: Good. And the house worked out  
6 good for you?

7                   MS. HICKMAN: It was great. It was wonderful.  
8 It's a great place to stay. We have nothing but really  
9 great memories. So thank you.

10                  MR. MARTYN: You know, that counts as camping  
11 just so you know.

12                  MS. HICKMAN: That does count as camping. I  
13 appreciate it. Thanks.

14                  MS. MCVAY: When you're done you can come stick  
15 them on this wall or I can do it for you.

16                  MR. MARTYN: You know better than to hand us  
17 scented markers.

18                  MALE SPEAKER: (Indiscernible) stoned? Is that  
19 grape flavor?

20                  MR. MARTYN: Yes, it is. I'll be back in about  
21 10 minutes. Wow I feel great.

22                  MALE SPEAKER: Bad habits.

23                  MR. MARTYN: The exact question again you  
24 wanted?

1 MS. MCGARY: What does success look like for  
2 Arizona State Parks in five years? It's very open-ended.  
3 It's very (indiscernible). We ask this of everybody.

4 MR. MARTYN: All right. Vanessa, what's  
5 success look like in five years?

6 MS. HICKMAN: (Indiscernible). I want to hear  
7 what everybody else has to say first.

8 MR. MARTYN: We want to hear your comments.

9 MS. HICKMAN: I don't know. I think success  
10 looks like accomplishing some of the goals.

11 (Multiple background conversations.)

12 MR. MARTYN: I've got you off the speaker  
13 while I'm writing. I put "improve infrastructure," and  
14 then all our Parks open. Anything else?

15 MS. MCVAY: The more the better. And if you  
16 guys go through the Agency SWOT, this question was asked  
17 of every Park, of every partner, of every staff. We kind  
18 of compare your ideas to theirs and see where the  
19 differences might be. But we're going to take a few  
20 minutes to review because usually big themes come out of  
21 this.

22 I think financial stability came out as one  
23 theme. Another theme that we haven't heard yet is the  
24 stability of the Director, being the Director is still on  
25 Board. Executive Director stability.

1 MR. MARTYN: I love it. See nobody in the  
2 Agency could give a crap about me. The Board --

3 MALE SPEAKER: We're not talking about mental  
4 stability.

5 MR. VICE CHAIRMAN: We just don't want to go  
6 through that recruiting process.

7 MALE SPEAKER: I'm going with the relative part  
8 of stability. I'm not sure where they're headed.

9 MS. MCVAY: All right. We also had concessions  
10 came up, renegotiate concessions. Concessions are  
11 important. Improve infrastructure, the maintenance of  
12 grounds, above average in all Parks. To have each Park  
13 attractive to the customers, would that go with  
14 maintenance? A stable employee base. Recognition of  
15 State Parks and a difference between National Parks.  
16 That's a very good one. Stay on the river Parks and  
17 develop Havasu.

18 Interestingly, a few new things that didn't  
19 come up (indiscernible). So the big things are financial  
20 stability, keeping our director on board, improving our  
21 infrastructure, making the Parks still look good, keeping  
22 them open, renegotiating those concessions, work along  
23 the river Parks, keeping our employees and trying to find  
24 that difference between National Parks and State Parks.

1 MR. MARTYN: Director Landry would have loved  
2 this exercise.

3 MALE SPEAKER: Okay, for the next part, we're  
4 going to ask you the questions about the strengths of the  
5 Board. What are the great strengths of the Board? In  
6 your opinion, what great strengths of the Park Board?

7 MS. MCVAY: We're also looking at making sure  
8 the strengths that will get us to five years in the  
9 future in relation to this mini-vision for five years.

10 MR. VICE CHAIRMAN: Strength of the Board. I  
11 think one thing that you can see -- we're kind of focused  
12 on the financial stability and the stability of the  
13 employees and leadership.

14 MALE SPEAKER: leadership

15 MR. VICE CHAIRMAN: That may be a little  
16 different that people operating an individual Park.  
17 Because we've seen the big, overall picture of how shaky  
18 the financial stability is, or has been in the past. I  
19 think it's just a different point of view maybe.

20 MS. MCVAY: But that's the point of view we  
21 haven't heard yet. We've heard every point of view from  
22 the Parks (indiscernible).

23 MALE SPEAKER: I think another strength of the  
24 Board historically has been the diversity of it, both  
25 geographically as well as background.



1                   MALE SPEAKER: (Indiscernible) having two  
2                   cattlemen down to one, that's always a plus.

3                   (Laughter)

4                   MR. VICE CHAIRMAN: And actually that's really  
5                   good because Phoenix doesn't have any State Parks. I  
6                   don't think people in Phoenix understand the value that  
7                   Parks are to rural communities.

8                   MALE SPEAKER: Rural representation I guess is  
9                   a better way.

10                  MR. MARTYN: That's a strength and weakness.  
11                  When I have to educate Legislators and the vast majority  
12                  of them live in Phoenix.

13                  MR. VICE CHAIRMAN: That's true. That's very  
14                  true.

15                  MR. MARTYN: And all my Board Members get to  
16                  beat on rural legislators if you don't have enough votes.

17                  MALE SPEAKER: So are there other things that  
18                  come to mind strengths of the board?

19                  MR. MARTYN: Anything to add, Ms. Hickman?

20                  MS. HICKMAN: No, I don't have anything else to  
21                  add. I would say one of the strengths is, you know,  
22                  having the presence of one of the largest landowners in  
23                  -- or, land managers and in Arizona, and additionally,  
24                  it's important that the Land Department continue to serve  
25                  on the Board because of the relationship that we have

1 with State Parks and the number of Parks that are under  
2 lease with the Department. So I think that's a good  
3 relationship.

4 MALE SPEAKER: Amen.

5 MALE SPEAKER: I agree with that and also,  
6 State Parks relationship with BLM and the understanding  
7 of how State land and Federal land and all the different  
8 things fit together. We want to keep you, Vanessa.

9 MS. HICKMAN: Okay.

10 MALE SPEAKER: And she wants to keep us.

11 MR. MARTYN: I'm afraid she's going to start  
12 lobbying for my job. She's going to get the Governor --

13 MS. HICKMAN: I'm happy where I am.

14 MALE SPEAKER: Well, if anything else comes to  
15 mind as far as (indiscernible). The next question is,  
16 what does the Board do best? In your opinion, what does  
17 the Board do best?

18 MR. VICE CHAIRMAN: I think one thing that is  
19 good about this Board is I don't believe this Board  
20 really gets into the micromanaging. One thing we're so  
21 spread out. You know having served on a lot of other  
22 Boards, like a hospital board in a small community, you  
23 really get involved in the day-to-day operation just  
24 because people see you at supermarkets and say, you know,

1        what happened, we want that straightened out. Where I  
2        don't believe we do, anyway.

3                MALE SPEAKER: Although historically, that  
4        hasn't always been the case in some instances, as few of  
5        us know.

6                MALE SPEAKER: There have been some members of  
7        the Board who loved to micromanage. But very limited.

8                MR. VICE CHAIRMAN: Some of that still could be  
9        going on.

10               MR. MARTYN: So Alan, right now, there's a very  
11       healthy relationship between the Board and the Director.  
12       I don't feel that we're micromanaged. We're guided and  
13       we're given the opportunity to disagree or explain why an  
14       idea might not be in the best interest of the Park, Park  
15       system.

16               MALE SPEAKER: What do you feel like the Board  
17       is doing right?

18               MR. VICE CHAIRMAN: Doing right?

19               MALE SPEAKER: Yes.

20               MR. VICE CHAIRMAN: Selecting the Executive  
21       Director.

22               MR. MARTYN: That could be argued.

23               MALE SPEAKER: I think that's one of the most  
24       important things.

1                   MALE SPEAKER: Right. Unfortunately, we don't  
2 have that option anymore.

3                   MS. DAGGETT: We have the ability to discuss  
4 it.

5                   MALE SPEAKER: I think a lot of the things  
6 we're doing right are the ones we just mentioned above,  
7 restatement of some of those.

8                   MALE SPEAKER: Okay. We can move to  
9 weaknesses.

10                  MR. VICE CHAIRMAN: I think one of our -- I  
11 don't know if it's a weakness or a threat or exactly  
12 where to put this, but I think one of the real challenges  
13 is on the horizon for the Board, is the relationship with  
14 the Governor's office --

15                  MALE SPEAKER: Yes.

16                  MR. VICE CHAIRMAN: -- and the Executive  
17 Director. That probably is more under threat than  
18 weakness.

19                  MS. MCVAY: Any other strengths that are unique  
20 to this Board that can help this Agency get to where they  
21 want to go in five years?

22                  MR. MARTYN: I think one of your strengths  
23 might be your relationship to the Governor.  
24 Specifically, you and Vanessa. You do have a direct tie  
25 to the Governor. Mr. Brnovich kind of. But that

1       theoretically should be a great strength. I don't know  
2       that it is, but theoretically it should be a good  
3       strength as Agency Directors.

4               MS. HICKMAN: I would add to that Bryan, I  
5       think it is, because we obviously have Directors who have  
6       a direct conduit to the Governor's office, so if there  
7       are issues that are of great importance for the Parks  
8       Department and for the Parks Commission we have our own  
9       (indiscernible) of communicating that information. So, I  
10      don't know that I would put the relationship with the  
11      Governor's office in as a weakness. I would consider  
12      that a strength just because based on the consistency of  
13      the Board.

14             MR. MARTYN: I agree. I'll put that as a  
15      strength.

16             MALE SPEAKER: That's going in as a strength.  
17      We kind of got off weaknesses for a minute there.

18             MS. MCVAY: That's okay.

19             MR. VICE CHAIRMAN: That's one of our  
20      weaknesses.

21             MS. MCVAY: Is getting off track. You wouldn't  
22      be the first.

23             MALE SPEAKER: One of our witnesses as Bryan  
24      indicated was the opposite of one of our strengths, and  
25      that's the representation outside of Maricopa County,

1 makes it more difficult to influence Legislatures --  
2 Legislators.

3 MR. VICE CHAIRMAN: And I think also of a  
4 weakness right now that's something that will have to be  
5 resolved in the near future is one of our Board Members -  
6 - I'm talking about Mark. I think he's been to one Board  
7 meeting in six months and I know he's pursuing, you know,  
8 a different track, and I think we're going to have to  
9 resolve whether he wants to serve on this Board.

10 MALE SPEAKER: Attendance/Participation.  
11 Historically, that hasn't been a weakness I would have to  
12 say. My - my corporate memory would say that it has not  
13 been a problem really, with very few exceptions.

14 MS. DAGGETT: I have a question. For a  
15 gubernatorial appointment, don't you have to submit  
16 application and argue, kind of recruited, to do that, and  
17 then don't you have a responsibility in wanting to be it?

18 MR. MARTYN: Yes, yes, and yes. It all goes to  
19 Ms. Styles at the Governor's office. You fill it out and  
20 you recruit it or put in your application as such. I  
21 received no guidance -- and I don't want to get off  
22 track. But I received no guidance whatsoever on the new  
23 Board Member. I just received a letter, "Your new Board  
24 Member is this."

25 MALE SPEAKER: Is so and so.

1                   MR. MARTYN: I had no input, no say,  
2                   whatsoever.

3                   Mr. Brnovich, of course, has taken on some  
4                   other issues and I don't know that he has addressed the  
5                   Chairman or myself or the Governor's office relative to  
6                   his intentions on this Board.

7                   MS. DAGGETT: Well, I didn't really mean to go  
8                   into him. More so the responsibility of the Governor's  
9                   Committee. We had the same problem on the Tourism Board.  
10                  It's just the nature of the beast. They never told  
11                  Margie, Margie never told Greg, they never told Sherrie,  
12                  they never told any of the directors when they were  
13                  getting a new Board Member. Because people will make  
14                  application for their own personal agenda. Just like  
15                  with most boards.

16                  So I think one of our weaknesses is that we  
17                  don't actively recruit candidates. I mean, seriously.

18                  MALE SPEAKER: That's an interesting point.  
19                  Because sitting when I was on the Board years ago, it  
20                  suddenly dawned on me we did not have and had not had in  
21                  my memory, anybody from the River Communities. And I ran  
22                  into Bill Porter through the Historical Society and I  
23                  mentioned to him, I said why don't you find somebody  
24                  along the River. The next thing I know Bill was on the  
25                  Board, which was fine. I thought -- we are back to that

1 situation now. Between Yuma and Kingman, we don't have  
2 anybody and haven't since he went off, to my knowledge.

3 MS. DAGGETT: It just makes it more successful,  
4 kind of like when you're a Chamber Director or City  
5 Manager. They're the ones that have the responsibility  
6 of hiring and firing you, and so you really do want to  
7 pick them.

8 MALE SPEAKER: Well, again, the River is a  
9 major part of our landscape.

10 MR. VICE CHAIRMAN: If we want people on here,  
11 we can encourage them to send in an application.

12 MALE SPEAKER: I think as a Board, you've got  
13 to be a little cautious in this whole arena.

14 MALE SPEAKER: Basically it would be just  
15 asking them to put themselves in the mix.

16 MALE SPEAKER: That's right.

17 MALE SPEAKER: It would still be the  
18 Governor's ---

19 MALE SPEAKER: That's true.

20 MR. VICE CHAIRMAN: And you can write letters  
21 of support.

22 MALE SPEAKER: (Indiscernible). We have not  
23 had that representation on the River and they are a big  
24 part of what we're doing right now.

25 MR. VICE CHAIRMAN: I would agree with you.



1 (Multiple background conversations.)

2 MALE SPEAKER: So everybody think of somebody  
3 who would be positive. I'm sure we can all think of some  
4 who wouldn't.

5 MALE SPEAKER: Okay. Well, we'll move onto the  
6 other question: What does the Board do worse? Can you  
7 think of anything?

8 FEMALE SPEAKER: Where can there be  
9 improvements? Where are their areas (indiscernible).

10 MR. VICE CHAIRMAN: I can't think of any.

11 (Laughter)

12 MS. MCVAY: (Indiscernible), not because there  
13 isn't the time or money or whatever it is --

14 MR. VICE CHAIRMAN: You notice we're talking  
15 about the people that aren't here.

16 MS. DAGGETT: I think probably for speaking  
17 personally, I wish that I were more engaged, I would ask  
18 more questions of, you know, the staff, to get better  
19 direction, and I don't.

20 You can call me.

21 MALE SPEAKER: Coming out into the field is  
22 where those kind of things happen and we just haven't  
23 been doing that because of the financial situation of the  
24 Agency. We are just now are starting coming back to the

1 field or even talk to Park Managers, the Regional  
2 Managers, and find out those kinds of going on.

3 MR. VICE CHAIRMAN: I agree with you. I think  
4 the Parks are so diverse and spread out around the State,  
5 it's really difficult as a Board Member, other than what  
6 we hear, to keep up with what's really going on. I think  
7 in the last year where we have had, Lost Dutchman and  
8 Picacho and different places, very helpful. Just to see  
9 the facilities.

10 MALE SPEAKER: And to interact with the locals.  
11 They're more likely to come to, you know, the people to  
12 Payson or Tonto than they are to Phoenix, unless they're  
13 threatening to be shut down or some major issue.

14 MALE SPEAKER: What opportunities do you see  
15 for the Board?

16 (Multiple background conversations.)

17 MS. DAGGETT: Okay, so we had the before that  
18 had picking our Board Members or suggesting our Board  
19 Members (indiscernible).

20 MR. VICE CHAIRMAN: Searching.

21 MS. DAGGETT: Searching, yeah.

22 MALE SPEAKER: Recruiting.

23 MR. VICE CHAIRMAN: Yeah, I think advocating  
24 city Parks at several different levels. All the Board

1 Members know a number of Legislators. But we also know  
2 Congressional people, too. I think we do.

3 FEMALE SPEAKER: Who's the Governor's Chief of  
4 Staff now?

5 MALE SPEAKER: Scott Smith.

6 FEMALE SPEAKER: Do they ever attend any of the  
7 Board meetings ever? Have they in the past?

8 MALE SPEAKER: No, not this Governor.

9 MR. VICE CHAIRMAN: There's a --

10 MALE SPEAKER: Natural Resources guy.

11 MR. VICE CHAIRMAN: -- liaison assigned to the  
12 Agency from the Governor's office.

13 FEMALE SPEAKER: Have they ever attended?

14 MALE SPEAKER: He has occasionally.

15 MALE SPEAKER: Once.

16 MALE SPEAKER: Who is that?

17 MALE SPEAKER: Kevin.

18 MALE SPEAKER: You know, we have our Policy  
19 Advisor and he has a bunch of agencies and he's engaged  
20 with Bryan.

21 FEMALE SPEAKER: Have he ever come to a Board  
22 meeting?

23 MALE SPEAKER: I think he came to one or two.

24 MALE SPEAKER: I remember the one we had a Rio  
25 Solado or wherever -- that river there and he came.

1                   MALE SPEAKER: The Governor (indiscernible) did  
2 come to a Parks Board meeting. Jane Hull came and the  
3 next week we brought Stewart Cross.

4                   MS. DAGGETT: So do we ever do anything with  
5 Legislators or Governor's office where, like, joint  
6 little mixers or anything?

7                   MR. VICE CHAIRMAN: We had a year ago, not this  
8 past Legislative session, but a year ago, so that would  
9 be two years ago, we had a State Parks Day  
10 (indiscernible). But we let the Foundation guide it.

11                  MS. DAGGETT: Well, I think there's some  
12 opportunity that we can do (indiscernible).

13                  MALE SPEAKER: Members, the Director is meeting  
14 tomorrow with 20 Legislators and hosting them at  
15 Kartchner Caverns. It's a great opportunity.

16                  MS. DAGGETT: It is truly. It's those kinds of  
17 things that --

18                  MR. VICE CHAIRMAN: And if you're in the area.

19                  MS. DAGGETT: -- and I just happen to be.

20                  MR. MARTYN: You should drop by.

21                  MALE SPEAKER: As an opp- -- I don't know  
22 whether this is an opportunity or what. What I'm trying  
23 to get at is for Board Members to drop into State Parks  
24 more often, I guess is the only way I can -- not

1 necessarily when we have a meeting there, sneak in when  
2 Jay doesn't know you're going.

3 MR. REAM: You've all been very kind; you've  
4 called me ahead of time.

5 MR. VICE CHAIRMAN: I try. But I usually call  
6 Jay when I'm at the gate.

7 MALE SPEAKER: One thing I always do, is I  
8 always go in the bathroom, the restroom. That's kind of  
9 important to me, but it's really important to my wife.

10 MALE SPEAKER: Believe it or not, we take great  
11 pride in that.

12 MALE SPEAKER: Well, it's important. It's  
13 really important.

14 MS. HICKMAN: Bryan? This is kind of out of  
15 context here. But I think one of the ways that the Board  
16 can be more helpful, too, is that we all have our various  
17 constituencies and stakeholders and people that we  
18 interact with on a daily basis; and, Frank, you and I  
19 have a lot of the same obviously. But if we had a list  
20 of priorities for your department and items that you're  
21 working on in our State that are of the utmost importance  
22 to the State Parks, so as to get out there and have those  
23 discussions if we had talking points. I think that would  
24 also be very helpful.

1           I know parts of the information obviously from  
2 participating in Board meetings. But I think if we had  
3 specific talking points that we could have and, you know,  
4 all be on message with the same point as we're meeting  
5 with people throughout the communities in Arizona. I  
6 think that would be very useful in the ways that the  
7 Board could be very helpful for Parks and the Department  
8 also.

9           MR. VICE CHAIRMAN: Thank you. You know,  
10 Vanessa, about three years ago I think it was, when we  
11 were really desperate, we put together I think what we  
12 called an "elevator talk." If you get on the elevator  
13 with a Legislator and you've got five stories to --

14           MS. HICKMAN: So I don't know if we have an  
15 updated version of that. You know, a lot has happened in  
16 three years that Bryan, I don't know if that currently  
17 exists, is something that has been approved by your  
18 Department and for public dissemination. But I think  
19 it's a way that the Board can be more helpful to you as  
20 well.

21           MALE SPEAKER: Jay just made a note to that  
22 effect as Bryan is playing hooky for a few minutes.

23           MR. VICE CHAIRMAN: You know the one other  
24 thing I believe when the Blue Book is put together, Board

1 Members may be able to help identify companies or  
2 individuals that may be able to --

3 MALE SPEAKER: Maybe a special Blue Book just  
4 for Board Members.

5 MS. DAGGETT: That would be great.

6 MR. VICE CHAIRMAN: Some of us are engaged in  
7 certain industries where we can go directly to a  
8 corporation, we can identify a corporation and someone  
9 else can (indiscernible).

10 (Multiple background conversations.)

11 MALE SPEAKER: Okay, we'll move onto the other  
12 question.

13 MALE SPEAKER: I've got a question for you.  
14 When you go to Rotary clubs, do you have a slide  
15 presentation that you give first of all, or anything or  
16 not?

17 MR. MARTYN: I've had both. Some Rotary, I have  
18 a slide presentation and others depending, it's just a  
19 matter of the talk.

20 MALE SPEAKER: Okay.

21 MR. MARTYN: We have them both.

22 MR. ARMER: Because I know years ago when I was  
23 President of Cattle Growers, we had a dog-and-pony show  
24 that we would put on. I introduced myself or whoever was  
25 doing it, and then we'd give our little slide show, which

1        was not long, and then we'd answer questions. And it  
2        might be helpful if at some point we could develop  
3        something like that that's got some staying power. You've  
4        got to be careful that it's not only good through the  
5        next Legislative session or whatever, that could be  
6        available to Board members in case any of them had the  
7        opportunity to go to a rotary.

8                MR. MARTYN: I think it's a great idea.

9                FEMALE SPEAKER: From a marketing perspective,  
10        I know that presentation does exist, but it just goes  
11        through every Park and tells you a little bit of  
12        everything. But it could be adjusted probably.

13               MALE SPEAKER: Sure, for general, yeah, where  
14        it lists all the Parks but it doesn't give really any  
15        specifics necessarily.

16               MALE SPEAKER: Okay. With the Board, is there  
17        anything significant that the Board should be doing but  
18        isn't?

19               FEMALE SPEAKER: We want more opportunity, I  
20        think.

21               MS. DAGGETT: Do we have anything for  
22        municipalities that talk about some of the partnerships  
23        that are available to State Parks?

24               MR. MARTYN: The available partnerships?

25               MS. DAGGETT: Yeah.



1 MR. MARTYN: And it's for municipalities?

2 MS. DAGGETT: For municipalities. Solely for  
3 municipalities?

4 MALE SPEAKER: No.

5 MR. MARTYN: We don't. But in some cases it's  
6 dangerous to just put it out there because the quid pro  
7 quo of it, as we've seen, is you need to be very clear,  
8 if you contribute this you get this. And we want to be  
9 clear. Just because you -- Verde always comes to mind.  
10 Verde, we've going to give you this. All of a sudden  
11 poor Verde becomes a City Park. That's how they would  
12 have it. No worky.

13 So, but as far as reaching out to communities,  
14 I think it's a one-on-one thing. When we need it, we go  
15 ask for it. And I think we've demonstrated we've done  
16 with Flagstaff's and the Yuma's of the world, Yavapai  
17 Counties. When we need it, we go get it. But if we don't  
18 need it directly, we generally don't ask.

19 MS. DAGGETT: Okay.

20 MR. MARTYN: It's dangerous. It's dangerous.  
21 For example, right here. This is a challenge because  
22 we're not -- we have different goals.

23 MS. DAGGETT: Goals, yes. Okay.

24 MALE SPEAKER: What is the greatest threat to  
25 the Board?

1 MR. VICE CHAIRMAN: As I was saying a little  
2 earlier, I think one of the threats is kind of the  
3 unknown what caused a personnel reform, you know. Who  
4 actually selects the Executive Director. So that's out  
5 of the hands of the Board. But I think there's still a  
6 lot of things that are unknown. Could the Governor's  
7 office terminate the Executive Director without  
8 contacting the Board?

9 MALE SPEAKER: Absolutely.

10 MR. VICE CHAIRMAN: Could the Board terminate  
11 the Executive Director without contacting --

12 MALE SPEAKER: No.

13 FEMALE SPEAKER: No.

14 MR. VICE CHAIRMAN: There's some unknown things  
15 in there.

16 MALE SPEAKER: That's a good point, because if  
17 you recall, one of the four finalists was from New  
18 Mexico. I couldn't even tell you his name, I never laid  
19 eyes on him, but I heard he was a very qualified guy. He  
20 was head of State Parks in New Mexico, this was down in  
21 Martinez. A Republican comes in and he's gone. He never  
22 used that as an excuse, but you can't convince me that  
23 didn't cross his mind when he knew reform was coming to  
24 Arizona. He was obviously a Democrat -- I mean, I assume  
25 he was. I shouldn't say "obviously." I assume he was.

1 And suddenly he's going to be working for a Republican.  
2 It's like: I've been there once. You fool me once, it's  
3 your fault; fool me twice, it's my fault.

4 MS. DAGGETT: But that was, that position was  
5 like the last of the Mohicans of the all the Directors in  
6 the State. I mean all of them.

7 MALE SPEAKER: That's just life.

8 MS. DAGGETT: That's just the way that it is.

9 MALE SPEAKER: And it's unfortunate, but we got  
10 it.

11 MS. DAGGETT: But what in my mind is scarier  
12 than the Governor picking another Director, is that the  
13 Board becomes benign. I mean --

14 MR. VICE CHAIRMAN: That's part of my -- yeah,  
15 that's part of what I'm thinking too.

16 MS. DAGGETT: We have no authority for  
17 anything.

18 MR. VICE CHAIRMAN: It's going to reach a point  
19 we're going to have to make a decision: What's the value  
20 of it?

21 MR. MARTYN: Maybe a discussion for another  
22 day, sir.

23 MR. VICE CHAIRMAN: I'm putting it up as a  
24 threat.

1 MS. MCVAY: Okay, I'm sorry. The Board becomes  
2 benign.

3 MR. VICE CHAIRMAN: I hate the word "useless,"  
4 but...

5 MR. MARTYN: And, Alan, it's important to know  
6 that by statute, the contracts, the agreements, all go  
7 through the Board still.

8 MALE SPEAKER: Yeah, that's true.

9 MR. MARTYN: There would have to be some major  
10 changes to the statute before we don't have a role, but  
11 you really don't have a big role with the Director like  
12 you used to.

13 MALE SPEAKER: That brings up one I was going  
14 to point out, though, as a weakness is we've got an  
15 Executive Director with two bosses.

16 MR. MARTYN: I'll be honest with you, I have  
17 one boss. At the end of the day, I have one boss.

18 MALE SPEAKER: Yeah, I know. But we consider  
19 you've got two.

20 MR. MARTYN: Amen. And I hope you continue to.  
21 That's good. But there's a lot of politicians in the  
22 room. You understand how it works.

23 MALE SPEAKER: Oh, yeah.

24 MR. MARTYN: If she says this is the direction  
25 you are going, you guys are --

1                   THE VICE CHAIRMAN: That's the reason it's up  
2                   there as a threat for the Board. We're just talking  
3                   about the Board.

4                   FEMALE SPEAKER: Yes.

5                   MALE SPEAKER: Maybe it's the Board's success.

6                   MALE SPEAKER: Our own apathy if we it comes to  
7                   it --

8                   MS. DAGGETT: If we're really honest.

9                   MALE SPEAKER: And again, a lot of the Board --  
10                  just like the Executive Director, the Board is appointed  
11                  by the Governor, which in and of itself could be a threat  
12                  if you had a Governor who had some far-out ideas about  
13                  what State Parks ought to do or not do and stack the  
14                  deck.

15                  MR. MARTYN: (Indiscernible).

16                  MALE SPEAKER: I think the most important piece  
17                  of the Board is this transparency in Government, this  
18                  public forum, that everyone is allowed in, the minutes  
19                  are out there, it's on our website, what goes on, these  
20                  are the peoples Parks, you're the people's  
21                  representatives passed down through the Governor, and it  
22                  is this public process that makes us better and the  
23                  public input from this (indiscernible).

24                  So this is something that needs to be an  
25                  important part of what you do.

1 MR. VICE CHAIRMAN: Just what I was thinking.

2 MS. MCVAY: Well, okay. So we are running out  
3 of time. It's very unfortunate. We have a little bit  
4 more plans but we'd like to improvise a bit. Actually,  
5 just talk about these last two questions that we went  
6 through, instead of specifically thinking about the  
7 Board, the make-up of the Board, how you guys are  
8 affected. I'd like you tell us what are some of the  
9 opportunities that you see for the Agency are.

10 So now, I want you to just shift focus a bit  
11 and think about, what are some of the opportunities for  
12 the Agency? So what are some of the opportunities for  
13 the Agency that are going to get us to some of these  
14 places (indiscernible)?

15 MS. DAGGETT: Development of sponsorships.  
16 (Indiscernible).

17 MS. MCVAY: (Indiscernible) around financial  
18 stability.

19 MR. VICE CHAIRMAN: Refinancing and updating  
20 the concession contract. It all comes back to financial.

21 MALE SPEAKER: It really does, unfortunately.  
22 Fortunately, unfortunately, it's a fact of life.

23 MR. VICE CHAIRMAN: We can increase our  
24 financial stability.

1 MS. MCVAY: Any other specific opportunities  
2 you see (indiscernible)?

3 MALE SPEAKER: Facilities development,  
4 expansion, however you want to put it. I'm not saying we  
5 want to add more Parks. I'm just saying we want to  
6 improve the ones we've got.

7 MALE SPEAKER: Expand?

8 MALE SPEAKER: Exactly. At this point I don't  
9 think --

10 FEMALE SPEAKER: Okay. So on the other side  
11 (indiscernible) visit and have the opportunity to talk  
12 about threats, but what are the external threats to the  
13 Agency in the next five years that could keep us from  
14 being where we want to be?

15 MALE SPEAKER: Financial well-being. However  
16 you want to get there. Stability.

17 MR. VICE CHAIRMAN: I think as you said there's  
18 always the political threat. And I'm not talking about  
19 the Governor's office now, I'm talking about Lake Havasu  
20 City and Camp Verde, cities that would like to take over  
21 a Park and make it a city Park.

22 FEMALE SPEAKER: Not self-interest, but --

23 MR. VICE CHAIRMAN: I think we always have to  
24 be on the alert for that.

1 FEMALE SPEAKER: You guys have seen a lot and  
2 from a very different perspective and so have I as Park  
3 Manager, so.

4 MS. MCVAY: So we're going to compare your  
5 strengths and weaknesses to those of the Agency. So  
6 these are the top five-ish for the Parks. And for their  
7 strengths, the biggest strength across the Board was the  
8 actual Park resources. Our Parks are beautiful. They  
9 have great amenities and campgrounds.

10 Staff was a very close second. Our staff has  
11 been through a lot. They're dedicated, they're loyal.

12 Volunteers is a huge strength. As you know,  
13 our Parks could not run without our volunteer base.

14 The maintenance and Parks' grounds is a huge  
15 strength. And though we're broke, the pride of our staff  
16 to keep our Parks and our bathrooms maintained is huge.

17 Also community relations is big. It wasn't in  
18 every Park, but the Parks that have invested with  
19 community relations, it has paid back tremendously. The  
20 community relations was the biggest strength for Parks  
21 that had them.

22 The biggest weaknesses according to our Parks  
23 was lack of staffing. Staffing issues, not a huge  
24 surprise to anyone.



1           The infrastructure and our capital needs is a  
2           huge weakness.

3           Our Parks identified some communication and  
4           coordination between the Phoenix and the field offices as  
5           a weakness. We are severely outdated in our technology  
6           and some of our Parks are just located in places where  
7           it's not available to them.

8           Lack of interpretive programs is one of the  
9           things that sort of went with the budget. Our Agency and  
10          our staff see as coordination, as we don't have enough  
11          time to do that.

12          Also, our equipment. Beyond just our  
13          infrastructure, the equipment (indiscernible) have been  
14          getting more and more unreliable.

15          According to the Parks, our biggest  
16          opportunities, well the first was, capital development,  
17          improve our Parks. Bring back interpretive programs into  
18          our Parks. Do more special events. Every Park listed a  
19          variety of special events they thought would bring in  
20          revenue.

21          Increase the partnerships and volunteers. Even  
22          though they're strong, we think they can be improved and  
23          how to move our Agency forward.

24          Also, our Parks felt they needed a more Park-  
25          specific marketing. I think every Park said that. Even

1       our locals sometimes didn't know we were here. So they  
2       wanted to be not as an Agency as a whole for their Park.

3               And Park-specific passes. They thought  
4       regional passes or a five-day pass, things that we have  
5       experimented with in the past.

6               MR. VICE CHAIRMAN: That was your issue a  
7       couple Board meetings ago. We talked about that.

8               MS. MCVAY: That came up surprisingly, often.  
9       And then lastly, the threats. The largest was a lot of  
10      natural resource threats. A lot of our lake Parks, the  
11      water goes down. Without water in our lake there is no  
12      Lake Park. Drought, fire.

13              And obviously, the continued lack of funding  
14      and the Agency budget is a huge threat to our Parks.  
15      Again, some of the management considerations and planning  
16      efforts in the Parks is huge.

17              They also saw the potential lack of balance  
18      between revenue and resource as a threat. If they  
19      continue to only chase revenue, we might forget the whole  
20      mission of our Parks. Although everyone understood the  
21      need for more revenue, it's put out there as something  
22      for Arizona to continue with.

23              An "out pricing." A lot of our Parks feel that  
24      if we increase prices across the board we might be out  
25      pricing locals and people who would come to our Park.

1 And of course they're not economist, but from their point  
2 of view they felt like had been turning away a lot of the  
3 public that come to our Park.

4 FEMALE SPEAKER: So our (indiscernible) was to  
5 kind of relate some of this back to our Strategic Plan,  
6 the one that you, the Board, approved in October 2010. It  
7 looks like we're going to run out of time to do that. I  
8 did just print out the goals of that Strategic Plan so  
9 that we can identify how these are related to those and  
10 if that might be an exercise that we might be able to do.

11 So in the future as we go forward -- and the  
12 Auditor General I know report has tasked you with coming  
13 up with a new Strategic Plan (indiscernible) financial  
14 sustainability. Part of that will be Margaret Baileys  
15 work, part of that will come from our Visitor Survey,  
16 part of that will come from -- we're kind of at a nexus  
17 here. We're at a very good place. We're going to have a  
18 lot of data from a lot of different perspectives. We  
19 have our SWOT analysis, we have the Visitor Survey, the  
20 Employee Survey, Auditor General's Report. So we'll be  
21 able to take all that information from those variety of  
22 perspectives and come up with the best direction for the  
23 Parks in the next five years.

24 And, we'll be able to turn it over to the ETA  
25 (indiscernible).

1 MR. VICE CHAIRMAN: Very well done. Thank you.

2 This is a good exercise.

3 (Chorus of well done and thank you.)

4 MALE SPEAKER: You know you're talking about  
5 finances. I worked with Dr. Bob (indiscernible) where he  
6 has the Ranch School.

7 FEMALE SPEAKER: Yes.

8 MALE SPEAKER: And they had these projects they  
9 proposed. Every one of them is very philosophically  
10 oriented. So the question I asked every one of them:  
11 Okay, how are you going to pay for it? Oh, how are you  
12 going to pay for it?

13 FEMALE SPEAKER: Right.

14 MALE SPEAKER: You know, even if you worked for  
15 minimal wages, you still got to be paid something, not to  
16 mention the expenses.

17 MR. MARTYN: We're trying to get all of these  
18 people to take minimum wage.

19 MALE SPEAKER: And unfortunately, most of them,  
20 hadn't really thought very much about that.

21 FEMALE SPEAKER: yes.

22 MR. VICE CHAIRMAN: You know you can see where  
23 we have a different point of view.

24 FEMALE SPEAKER: Right.

1                   MALE SPEAKER: The Parks people are more  
2 involved with the volunteers. We know their --  
3 understand their value. We just don't see them on a  
4 daily basis.

5                   FEMALE SPEAKER: Because we are on.

6                   (Laughter)

7                   MR. VICE CHAIRMAN: Thank you very much.

8                   MR. MARTYN: Mr. Chairman?

9                   MR. VICE CHAIRMAN: Do you want to take a quick  
10 break?

11                  MR. MARTYN: If we can -- we'll finish up if  
12 you'd like and then we'll take a break and we'll just  
13 finish up.

14                  When we talk about our SWOT analysis, it's  
15 important to point out that all of the things that you  
16 put up on there, we currently have goals to meet those  
17 needs. There were no surprises. No euphonies that were  
18 up on the board. Different perspectives. But we already  
19 have goals in place to address those.

20                  Relative to our Strategic Plan and our roll-up,  
21 we're working towards everything that you said. Again,  
22 and I could go through a laundry list of all the good  
23 things that we're doing in our Parks and you're familiar  
24 with almost all of those and we'll save that for another  
25 time.

1           As we looked at Item 4, Strategic Plans and  
2           Goals for '14 and '15, the current plan that we have in  
3           place allows us to move forward to address the issues  
4           that you've identified, that the Agency has identified  
5           through SWOT.

6           Knowing that next year we may have a little  
7           different strategic plan with the input of Margaret  
8           Bailey and we worked that concession piece. But on the  
9           path that we're on right now and the information we have  
10          available to us today, there -- you haven't identified  
11          anything that would necessitate major changes to our  
12          current Strategic Plan. Unless you have something else  
13          you want to share or a change of direction that you're  
14          not happy with where we're going, I think it might mean  
15          our Strategic Plan is working with what we have today.

16          MR. VICE CHAIRMAN: I agree with you. Until we  
17          get the results of like you said what Margaret Bailey is  
18          doing, so I think we maintain the path.

19          FEMALE SPEAKER: (Indiscernible) over there  
20          checking everything.

21          MR. MARTYN: And Mr. Chairman, the discussion  
22          items under I, your Quarterly Events Update is in your  
23          packet and the Park-by-Park revenue is also in your  
24          packet. Unless you'd just like to discuss them  
25          specifically, you are limited on time, but we can take as

1 much time as we need. Don't let the people out there  
2 dissuade you from...

3 MR. VICE CHAIRMAN: I would say that I  
4 appreciate getting the Park-by-Park revenue and  
5 (indiscernible). That helps us I think understand the  
6 differences in the Parks.

7 MALE SPEAKER: Mr. Chairman, thank you. Yeah,  
8 it's there and you've seen this ranking before, but not  
9 in awhile. The one that we did include that I'm sure you  
10 haven't seen in awhile is the statistics that were  
11 reported to us from those Parks that we farm out to other  
12 -- Tubac and the Yuma's and Riordan and so forth.

13 I'd like to -- well, some of the numbers are  
14 just surprising, and how well they're doing and how in a  
15 couple of cases how much they need help. But the whole  
16 discussion that could be had on this subject and for each  
17 and every Park, but I think if you've had a chance to  
18 look at those numbers, you'll have to agree that they're  
19 kind of interesting themselves.

20 What we do with these in the future remains  
21 open for discussion.

22 MR. ARMER: A couple of things I noted real  
23 quick like, concern and I'm not looking for an answer or  
24 anything else. Concession income was down eight and a  
25 half percent though, while attendance was up. So

1        somewhere along the line we're missing the boat or  
2        something. There may be a very valid reason for that.  
3        I'm looking at overall, went from 435,000 basically to  
4        398, so.

5                MALE SPEAKER: Mr. Chairman, Wally. I'd love  
6        to tell you I know a lot but I don't.

7                MR. ARMER: Okay.

8                MR. MARTYN: Mr. Chairman --

9                MR. ARMER: I was just looking for --

10               MALE SPEAKER: No, I saw it. I saw it a month  
11        ago, more than a month ago. But we haven't had a chance  
12        to dive in. Because we don't get that much money off  
13        concession revenue to begin with.

14               MR. ARMER: True.

15               MALE SPEAKER: And so it seems to me it's  
16        scattered among -- it's not concentrated in one big  
17        account. I could be wrong, but I don't think so. It's  
18        kind of scattered --

19               MR. ARMER: Patagonia Lake went down 6, almost  
20        17 percent. That's \$60,000.

21               MALE SPEAKER: That's a chunk, that's a chunk.

22               MR. ARMER: That's a pretty good chunk there.

23               MALE SPEAKER: The lake was low, so low we  
24        couldn't --



1 MR. ARMER: I'm not looking for real specific  
2 reasons. I'm just saying those are the sort of things I  
3 look at when I go through that is look at things that  
4 jump out at me, why is this?

5 MALE SPEAKER: The funny thing is, it came up  
6 in three hours.

7 MR. ARMER: I had a question then, too, on  
8 Quartermaster Depot and Yuma Crossing. This is  
9 attendance. We've got day use, 13,800; annual pass and  
10 camping, zero; and then total attendance, 71,000.

11 FEMALE SPEAKER: I can answer that question.  
12 Mr. Chairman, Mr. Armer, the day use is the number of  
13 people who came into the Visitors Center and proceeded  
14 into the Park, so it's a much smaller number, especially  
15 now that they are charging a fee to do that.

16 MR. ARMER: Okay.

17 FEMALE SPEAKER: The total attendance is the  
18 number of people who just entered the Visitors Center.  
19 So they could have entered to pick up a brochure or just  
20 for information.

21 MR. ARMER: Okay. Again, wow, quite a  
22 difference.

23 MALE SPEAKER: It's huge.

24 MALE SPEAKER: Well, it is the City's Welcome  
25 Center.

1 MR. ARMER: Yeah, I know that. It's being  
2 registered two different ways, so it makes sense.

3 MR. VICE CHAIRMAN: Well, you're right about  
4 the partners. The Parks that are run by partners I was  
5 surprised, Riordan, the revenue is like the revenue at  
6 Yuma.

7 MALE SPEAKER: We've been able to since the  
8 recession, we've been very aggressive with our revenue  
9 collection and our increase in revenues, and this is  
10 something we didn't do while we were completely  
11 subsidized. And so they've taken advantage of that,  
12 where we haven't had the chance to as in Parks that have  
13 been by partners.

14 So it's kind of interesting. They've actually  
15 done better revenue-wise because of our efforts at all  
16 the other Parks.

17 MR. MARTYN: And Mr. Chairman and Board  
18 Members, we are looking at next year bringing Riordan and  
19 Tombstone into the fold. So that's not out of the  
20 communities yet. But we believe that -- we know that we  
21 can money at Tombstone and we believe we can make money  
22 at Riordan based on the correct staffing. So just know  
23 that that's out there.

1 MR. VICE CHAIRMAN: And Riordan is one of those  
2 locations that has a lot of special events, weddings --  
3 has the capability and potential for there.

4 MR. ARMER: Just like if our Tourism Department  
5 and movie people, if the State would get off their duff,  
6 we could make a lot of movies in San Rafael, just give  
7 them a few tax incentives.

8 MS. DAGGETT: The movies was cut from the  
9 Arizona Department of Commerce a couple of years ago. I  
10 served on that Commission, that was an appointment, too.

11 MR. VICE CHAIRMAN: Okay, moving along. We're  
12 at J. Are we going to do that in here or --

13 MALE SPEAKER: We're going to recess and then  
14 we'll come in here.

15 MALE SPEAKER: Actually, I think we can just  
16 stay in session and they'll come in and start their  
17 session.

18 MALE SPEAKER: Can we take a break?

19 MALE SPEAKER: Okay, we can take a break.

20 MR. VICE CHAIRMAN: Just a second. Let's go to  
21 K and finish up. Okay, next meeting is November 20. If  
22 you have any items you want on the Agenda, please notify  
23 the Director.

24 MR. MARTYN: Mr. Chairman, is that location  
25 okay with you? I'd like to put it actually in the Old

1 Courthouse and not in the City Hall, but actually in the  
2 building.

3 MALE SPEAKER: That's right. They've really  
4 renovated that, haven't they?

5 MR. MARTYN: We can go to the second one, too,  
6 if you want. Pinal County is happy to give it to us.  
7 But I think in our Park would be a nice touch.

8 MR. VICE CHAIRMAN: Let's do that. Okay. Any  
9 items for the meeting? We'll take a break and we'll come  
10 back to Item J.

11 FEMALE SPEAKER: Ms. Hickman, do you have  
12 anything for us?

13 MS. HICKMAN: Hello.

14 FEMALE SPEAKER: Do you got anything for us?

15 MS. HICKMAN: I do not have anything for you.  
16 Thank you.

17 MR. MARTYN: We've got the joint board meeting,  
18 are you going to hang around for that?

19 MS. HICKMAN: Do you have a quorum if I do not?

20 MR. MARTYN: No.

21 MS. HACHTEL: No. We need her.

22 (Multiple conversations at once.)

23 MR. MARTYN: Vanessa, it looks like you're  
24 stuck a little bit if that's all right.

1 MS. HACHTEL: Sorry, Vanessa. It's Laurie. I  
2 think you -- if you could just hold on tight through the  
3 presentation. I think that would be great so we can  
4 continue to have a quorum.

5 MS. HICKMAN: Okay. Yeah. That was my  
6 question. That's fine. Do you want to just call me  
7 back?

8 MR. MARTYN: That's fine. How about that,  
9 we'll call you back.

10 MS. HICKMAN: Just call me back when you are  
11 ready to go back in session.

12 MR. MARTYN: It will probably be 10 or 15  
13 minutes, okay?

14 MS. HICKMAN: Okay. That's fine. Okay.  
15 Thanks. Bye-bye.

16 (Recess.)

17 MR. VICE CHAIRMAN: This meeting of the Arizona  
18 State Parks Board is back in session. I want to welcome  
19 those of you from the Boyce Thompson Board. We  
20 appreciate you joining with us here.

21 Just so we'll be a little more friendly, why  
22 don't we go around the table and everyone introduce  
23 themselves and what they do or are associated with or  
24 whatever.

1                   MR. SIEGWORTH: I'm Mark Siegworth. I'm the  
2 Director of Boyce Thompson Arboretum State Park.

3                   MR. REYNOLDS: Jim Reynolds, Board Member.

4                   MR. MARTYN: Did he actually use the word  
5 "State Park" at the end of that statement?

6                   MR. SIEGWORTH: Yes, I did.

7                   MR. MARTYN: thank you so much. I appreciate  
8 that.

9                   MR. REYNOLDS: Jim Reynolds, BTA.

10                  MR. REAM: I am Jay Ream. I'm Deputy Director  
11 at Arizona State Parks and also a Board Member of Boyce  
12 Thompson Arboretum representing Arizona State Parks'  
13 interests on the Board.

14                  MS. REAL: I'm Erica Real. I work for  
15 Communications and Internal Relations with  
16 (indiscernible).

17                  MR. MARTYN: Bryan Martyn, Director of Arizona  
18 State Parks.

19                  MR. EATHERLY: I'm Charles Eatherly, Arizona  
20 State Parks and former Boyce Thompson Arboretum Board  
21 Member.

22                  MS. HACHTEL: I'm Laurie Hachtel and I'm with  
23 the Attorney General's office representing State Parks.

1                   MR. THOMPSON: I'm Ian Thompson. I'm the  
2 Chairman of the Board of the Arboretum, and I'm very glad  
3 that we're a State Park.

4                   MR. STERN: I'm David Stern. I'm an Arboretum  
5 Board Member, also President (indiscernible) located in  
6 Boyce Thompson.

7                   MR. BRADY: I'm LeRoy Brady a member of the  
8 Boyce Thompson Board and I am on annual leave. I work  
9 for the Arizona Department of Transportation as Chief  
10 Landscape Architect.

11                  MR. VICE CHAIRMAN: And you can sit up here,  
12 most of you at the table --

13                  MR. MARTYN: Mr. Chair?

14                  MR. VICE CHAIRMAN: -- by the Attorney  
15 General's office.

16                  MR. MARTYN: Vanessa.

17                  MR. SALISBURY: I'm David Salisbury. I am a  
18 member of the Boyce Thompson Arboretum State Park Board,  
19 and also was the President of Resolution Copper for three  
20 years during early stages of development. So I have my  
21 connections to this area.

22                  MR. ARMER: I'm Wally Armer. I'm a rancher and  
23 agriculture broker and appraiser and live in Vail,  
24 Arizona. Vail, Arizona, which is outside of Tucson, and  
25 I'm a livestock member of the Board of the State Parks.

1 MR. VICE CHAIRMAN: I'm Alan Everett. I'm the  
2 Vice Chair of the Arizona State Parks right now and I'm  
3 from Yavapai County. We have badges, so if any of you  
4 get out of hand and we have the Attorney General's office  
5 to prosecute you.

6 MALE SPEAKER: Persecute you.

7 MS. DAGGETT: I'm Kay Daggett and I'm from  
8 Benson, Arizona and I served as the Tourism person on the  
9 State Parks Board.

10 MR. GIBSON: I'm Rick Gibson. I work for the  
11 University of Arizona, Cooperative Extension and serve at  
12 their discretion as a member of the Boyce Thompson  
13 Arboretum State Park Board.

14 MS. PEACEY: I'm Vicky Peacey. I oversee  
15 environment permitting and external affairs for  
16 Resolution Copper. I'm here to give everybody a bit of an  
17 update on the project.

18 MR. VICE CHAIRMAN: Thank you. And we have one  
19 Board Member telephonically.

20 MS. HICKMAN: I can introduce myself. I'm  
21 Vanessa Hickman, the State Land Commissioner and I'm on  
22 the Arizona State Parks Board.

23 MR. VICE CHAIRMAN: One new member.

24 MR. ENNIS: I'm Kent Ennis, Deputy Director,  
25 Arizona State Parks.



1                   MR. VICE CHAIRMAN: Thanks. First, I want to  
2                   thank those of you from Boyce Thompson for hosting us  
3                   today. It's been a beautiful day and we appreciate the  
4                   opportunity to come out and see the facility again, see  
5                   what great things are going on here and be able to  
6                   associate with you. Thank you very much.

7                   MR. MARTYN: Mr. Chairman, at this time, if you  
8                   follow your Agenda as we were called back into order.  
9                   Item J, the Joint Meeting with the Boyce Thompson  
10                  Arboretum Board. Item J-1 is the next thing if that's  
11                  all right with you, Mr. Chairman.

12                  Mr. Chairman, Item J-1 is a presentation by  
13                  Resolution Copper on the progress regarding the ground  
14                  water and tailing issues.

15                  MS. PEACEY: Thank you everybody. Appreciate  
16                  you inviting me here today. I'm going to make this  
17                  relatively informal. I know you want to cut it off by  
18                  4:00.

19                  I'm going to go over kind of a project update  
20                  and hit on tailings a lot and water. But if there's  
21                  anything that isn't clear or you have question in the  
22                  middle of it, please by all means just stop me and I'll  
23                  clarify.

1                   MR. VICE CHAIRMAN: Could you update us on  
2 where things are in the Legislative process?  
3 (Indiscernible). Congress?

4                   MS. PEACEY: Yes, I will do that. I'll give an  
5 overall project update including a status of the Land  
6 Exchange Bill.

7                   So just a very -- I know a lot of you do know a  
8 lot about this project and certainly David does, so he  
9 can be checking my facts.

10                  Resolution Cooper Project, our head office is  
11 located in Superior and it is a partnership between two  
12 of the biggest mining companies in the world. It is 55  
13 percent Rio Tinto and 45 percent BHP.

14                  It is one of the top five undeveloped copper  
15 deposits in the world, so it is just really a spectacular  
16 deposit at 1.7 billion tons at about one and a half  
17 percent copper with some really nice by-products  
18 including molybdenum, some rhenium, as well as some  
19 silver.

20                  If you can imagine what this looks like, I have  
21 a picture of Picket Post Mountain as kind of a good frame  
22 of reference and put at 7,000 feet below the ground,  
23 basically below Apache Leak where alluvial is.

24                  It is 7,000 feet deep, so it's a very deep  
25 mine, it is very hot, 175 degrees. That's what the raw

1 temperature is down at the bottom if it wasn't cooled.  
2 And right now we're sinking the deepest shaft in the  
3 United States. It is -- because the deposit is so large  
4 and it is so deep, our ability to gather information off  
5 of drill holes alone, something about 2 to 4 inches in  
6 diameter just is very limited. We actually need to sink  
7 an exploratory shaft, head down to the bottom and touch  
8 the rock under standard conditions, the water.

9 So that's all that kind of critical information  
10 that feeds back into our mine designs.

11 This is a very long life. It is a 10-year  
12 construction timeframe, so -- with over six billion  
13 dollars of capital that is needed to actually build this  
14 mine. There's over 200 miles of underground workings  
15 alone to access and get underneath the deposits. So it's  
16 a huge construction time frame and about 40 years of mine  
17 life with about 5 to 10 of (indiscernible) activities  
18 beyond that. So it's roughly over 60 years in total.

19 We do have a very high degree of public support  
20 and when I touch on the tailings I'll bring that up a  
21 little bit. It's roughly -- we just did recently did a  
22 survey of the copper triangle and 85 percent of the  
23 people in the copper triangle support this project. So  
24 that's what keeps us going.

1           And because we're going to be required to have  
2       -- we're going to need a lot of jobs, at least 3,000 for  
3       construction, over 3,700 during operations, we need to  
4       have skilled people. These will be instrument  
5       technicians, diesel mechanics, welders, electricians. So  
6       we have to put in a lot of effort on the education front  
7       to make sure. Somebody who is in kindergarten is going  
8       to our employee. So, K-12 education and math and science  
9       is very important and something we're investing in.

10           So just really quickly I will skim over the  
11       economics because I've already gone over this. It is  
12       over 60 billion dollars over the total project life, so  
13       about a billion dollars a year. Billions in State taxes,  
14       billions in severance tax, which essentially a State  
15       royalty that we pay off of production. Pinal County will  
16       get to roughly with 2 and a half billion dollars over the  
17       life, and Federal Income Tax, that's the biggest amount  
18       of tax on the project over 14 billion dollars.

19           So there's a lot of money that will go back in  
20       and which will help governments, obviously; hopefully  
21       help State Parks as well. All the taxes that we pay the  
22       State will go back into the General Fund. We don't know  
23       if that's something that State Parks certainly probably  
24       sees a piece of.

1                   And the jobs are substantial as well. 1,400  
2                   jobs, those will be located directly onsite; 2,300 jobs,  
3                   those are indirect jobs, those are contractors,  
4                   suppliers, teachers, all of that kind of thing. And so a  
5                   very, very substantial -- it's kind of hard to put it  
6                   into perspective what this means.

7                   As far as copper production this is a huge  
8                   mine. It will produce half -- about a billion pounds of  
9                   copper every single year. And this -- when you compare  
10                  it to other mines in the area, Freeport, Safford, Pinto  
11                  Valley, as well as Asarco Ray, it really dwarfs that.  
12                  And that's because of the grade and the size. So we're  
13                  looking at about one and a half percent copper in those  
14                  other mines are about .5 percent or less. So it's a  
15                  relatively high-grade deposit in comparison to the rest  
16                  of the copper deposits in the copper triangle.

17                  And as far as jobs go, if you look at the  
18                  annual incomes of Pinal County and Pima County, which is  
19                  where we draw the large majority of our workforce, our  
20                  salaries will be in the high-end range. So in the \$60-  
21                  to \$100,000 range. So these are highly-sustainable, very  
22                  well-paying jobs that will be here for decades.

23                  MALE SPEAKER: I'm sorry, what are the bars  
24                  again?

1 MS. PEACEY: Let's go back. Number of workers?  
2 Sorry. I don't have a bar that represents that. But the  
3 type -- the bulk of the 1,400 jobs will be pipe fitters,  
4 electricians, instrument technicians, diesel mechanics,  
5 welders, engineers, biologists.

6 MALE SPEAKER: I also wanted to make sure it  
7 wasn't actually represented on the graph.

8 MS. PEACEY: That's correct, it's not. Yeah.

9 MALE SPEAKER: Thank you.

10 MS. PEACEY: So I mentioned already that this  
11 was 1.7 billion tons at one and a half percent copper.  
12 It is -- imagine Picket Post Mountain under basically at  
13 7,000 feet below the ground surface, and the way that we  
14 -- in the old days, maybe for those of you that obviously  
15 are of Boyce Thompson, was really the founder of mining  
16 in Magma and started the Magma Mining Company in around  
17 the 1914 era and continued mining under 1996, when the  
18 mine was shut down.

19 But they had a very high-grade, very narrow  
20 vane deposit. So it was about 25 million tons at about 5  
21 percent copper and they just continued to follow the mine  
22 and they did cut and fill and it had very little surface  
23 impact, some shafts on the surface and tailings that were  
24 generated as a result of this.

1           So the type of deposit really dictates the type  
2   of mining that is done. So that was cut-and-fill, right?  
3   So, we continue to (indiscernible) to follow the high-  
4   grade deposit and follow behind it.

5           Because of the size of the deposit and the  
6   depth and the grade, the only mining method that is  
7   viable economically is called block caving and we would  
8   do a subset of block caving called Kennel Caving, which  
9   means that we were going to be sinking shafts from the  
10   surface. We're already doing that, right? We're sinking  
11   an exploratory shaft. We'll be driving tunnels or drifts  
12   underneath the deposit and blasting and progressively  
13   pulling the material down that would fall by gravity.  
14   And as we pull material out, the more material will fall  
15   so we can control it. But the tonnage and the rate will  
16   be quite high, anywhere from 110,000 tons per day to  
17   120,000 tons per day. This mine was on the border of  
18   about 2,000 tons per day. So the scale was different and  
19   the mining was different.

20           MALE SPEAKER: I'm sorry, as you blow these  
21   tunnels up and such, are you going to pull the material  
22   through the remaining part of the tunnel and then up? Or  
23   are you, it's blown up and now you'll be able to pull it  
24   off the side of the hill?

1 MS. PEACEY: No. It will come in from  
2 underground. So this level here is 7,000 feet below the  
3 ground surface. They'll be shafts and tunnels from the  
4 surface that will access this from the bottom. And so we  
5 will drill and blast and then the rock will crumble and  
6 fall down into --

7 MALE SPEAKER: So rail cars or something like  
8 that will take them?

9 MS. PEACEY: There will be rail cars. So there  
10 will be a series of conveyors and horseshoes that we will  
11 need to rail car, that will take it back it back to the  
12 production shafts that lift it back up close to surface.

13 MALE SPEAKER: Okay.

14 MS. PEACEY: In the interest of time, I will  
15 skip this. But I have a video here that shows the  
16 (indiscernible) method and it's actually not working. I  
17 can't get it to work, I don't know if you can.

18 MALE SPEAKER: Vicky, since I do have a little  
19 bit of history with the project, just from another  
20 perspective on it, it moves -- you see the trucks that  
21 haul sand and gravel around construction projects in  
22 town, all over. Those very typically 20 tons. It will  
23 move one of those from bottom to surface every 15 seconds  
24 continuously.



1                   MR. MARTYN: 24 hours a day, 7 days a week for  
2                   40 years.

3                   MALE SPEAKER: 40 years. That gives you a  
4                   perspective of how much material moves, how quickly it  
5                   moves. One of those truckloads every 15 seconds.

6                   MS. PEACEY: So this is a video that will  
7                   describe what the block caving is, the mining method and  
8                   the block caving and what this will actually look like.

9                   (Video is played.)

10                  MALE SPEAKER: Could you explain subsidence?

11                  MS. PEACEY: Maybe a good way of explaining it  
12                  is, do you ever go to a motel and you go to one of those  
13                  little cereal things where you kind of lift it up and the  
14                  cereal comes out and goes in a bowl and you'll see the  
15                  top kind of comes down? So it's a -- the surface right  
16                  there -- David is actually a mining engineer or an  
17                  electrical engineer or --

18                  MALE SPEAKER: I'm curious about what's left.

19                  MS. PEACEY: So subsidence is a depression that  
20                  is created after you remove the material underneath. And  
21                  it's unlike the cereal example, it's not a one-for-one,  
22                  and the reason is, you take material out and as rock --  
23                  as you crush it, it bulks up. And so the amount of  
24                  subsidence that you see won't be equal to the amount that  
25                  you pulled out. But it will be substantial.

1 MALE SPEAKER: It's over a 40-year period so  
2 it's a very slow process and so basically what you'll see  
3 is you'll see a gradual settling, some cracking, but the  
4 same material that's on top will still be there, it will  
5 just be a lower elevation.

6 MALE SPEAKER: What's the vertical depth of  
7 this rock and ore?

8 MS. PEACEY: The ore at the very bottom is  
9 7,000 feet.

10 MALE SPEAKER: What's the top of it?

11 MALE SPEAKER: It's 1,400 thick, that's at the  
12 top.

13 MALE SPEAKER: (Indiscernible) 1,400 foot hole  
14 in the middle of the mountain and (indiscernible) drop  
15 the mountain.

16 FEMALE SPEAKER: Yeah, what we do is, we look  
17 at what is our absolute maximum reasonable that you can  
18 expect at the end of 40 years, the absolute maximum.  
19 We're very conservative in our estimates as up to 1,000  
20 feet at the deepest point, coming up to -- kind of  
21 averaging 500 feet up to the surface.

22 MALE SPEAKER: Wow. (Indiscernible).

23 FEMALE SPEAKER: Well, if you've been to Oak  
24 Flat, it's kind of -- there's Apache Leaf and then  
25 there's sort of this gradual down and it's somewhat flat

1 but when you get in there and you look, it's very extreme  
2 and rugged. It's kind of a chunky terrain is going to be  
3 the best way to describe it.

4 So it's hard to imagine what it will actually  
5 look like because it will -- the caving itself will be,  
6 you know, it's a 1,000 feet in depth, but that won't be  
7 consistent along the whole thing. It could be very kind  
8 of blocky and messy.

9 MALE SPEAKER: Is this panel mining -- I'm a  
10 neophyte so it's straight up to me. Is this technology  
11 10 years old? 40 years old?

12 MS. PEACEY: It's been around for decades. It  
13 is San Manuel, are you familiar with San Manuel? That's  
14 a blockade mine that they shut down in about 1996, but  
15 they were going since the '50s, I believe. It's not a new  
16 technology. It is, for these types of deposits where it's  
17 relatively low-grade, very deep, very large, it's a  
18 tried-and-tested method. In fact, there are at least 20  
19 cave mines in operation around the world and then 12 more  
20 planned in the coming years.

21 MALE SPEAKER: Thank you.

22 MR. MARTYN: You talk about -- who is going to  
23 operate those cars that are underneath there at 175  
24 degrees. Do you want to talk about that?

1 MS. PEACEY: Those low-profile loaders, those  
2 will be automated. Sometimes what you hear a lot and I  
3 don't know how much you hear about this and we hear that  
4 there's going to be just robots running this mine and  
5 there's a great degree of mechanization and automation,  
6 and there is. I mean, this is a State-of-the-art --  
7 there's even going to be a little underground city  
8 underneath at 7,000 feet, which for me is really cool.  
9 But there will be an operations center with a dozen or  
10 more people operating those low-profile loaders at the  
11 bottom. It will be hot. We won't put any more people at  
12 those depths than we need to, but that equipment still  
13 needs to be maintained.

14 MR. MARTYN: But there will be people, so your  
15 electric bill for your air conditioning is probably  
16 pretty extreme.

17 MS. PEACEY: We will be SRP's largest customer.  
18 Yeah. Yep. So we'll have two brand-new 230 KB lines  
19 coming into the mine alone, just to supply the fueling  
20 that we need to cool the mine.

21 MALE SPEAKER: There's a surface refrigeration  
22 plant and underground refrigeration plant. I think  
23 they're scheduled three years just to construct those.  
24 So they're massive. I forget the exact -- it's several

1       hundred acres in size underground just for the  
2       refrigeration alone.

3               MR. MARTYN: I can't imagine just the  
4       construction of it. Before it's built, somebody has to  
5       get down there to put that in.

6               MALE SPEAKER: And you still have to have  
7       mechanics down there to fix broken equipment, so yeah.  
8       But they will cool it -- it will be cooled and it will be  
9       cooler, probably in the area of 85, 90 degree working  
10      environment. I think if the air conditioning were to go,  
11      ever lose power, you have 15-minutes to get the guys into  
12      refuge chambers to keep them cool. It's tricky.

13              MS. PEACEY: And that's why we have massive  
14      banks of generators at the surface. In the event  
15      something goes out, we've got one shaft that is there  
16      just to hoist men and materials to get them out in the  
17      event of a power failure.

18              So I'll move on a little bit here. I've got 10  
19      minutes left so I'll go really quickly. Water is an  
20      issue and certainly we hear a lot of misinformation about  
21      water on the project: We're going to suck the region  
22      dry, we're going to drain the region of all the  
23      groundwater resources. For this mine, and it's actually  
24      going to be a relatively dry mine. The rocks that  
25      surround it, because it is so deep the rocks are under

1       such pressure, they don't hold a lot of water and then  
2       the water that they do hold, because those pores where  
3       the water is contained are connected, they don't give up  
4       a lot of water either.

5               So we can't pull out the amount of water that  
6       we need to run this mine. We will need on average -- on  
7       average we will use 12,000 acre feet per year of water.  
8       And at maximum at any one time it will be between 16,000 and  
9       20,000. So it's a relatively large amount of water and  
10      we can't get the amount we need from the ground water  
11      resources onsite.

12             So what we've done is understanding this, put  
13      together a plan a number of years ago, and this was when  
14      David was actually there, where we would buy and bank  
15      credits. So Colorado River, there's obviously a Colorado  
16      River Compact where different states get various amounts  
17      of water. Arizona is entitled to 2.8 million acre feet  
18      per year and out of that there is a specific direct  
19      demand -- so this is demand here, this is time -- and  
20      certainly over time that demand is going to increase as  
21      population increases.

22             But this red portion, there is many years, some  
23      years where there is no water that actually -- there's a  
24      large amount of water that doesn't get used every year.  
25      So when there is excess water that is available and not

1       used, and Arizona's entitlement off the Colorado River,  
2       it's available for purchase.

3               So we have been purchasing excess Colorado  
4       River water, running it down the CAP canal and then  
5       banking it at a irrigation district called New Magma  
6       Irrigation District. So that's kind of between Florence  
7       Junction and Magma Junction. And how that works is  
8       there's farmers in that area and they would otherwise  
9       pump groundwater to irrigate their fields. Well instead,  
10      they pull directly off of the canal and directly out of  
11      our bank of stored water credits. They use it to  
12      irrigate their fields. As a result, they don't pump  
13      ground water.

14             And so what happens is we have surface water  
15      that has been stored as ground water for later use. So  
16      we're not -- we're using more renewable water resources  
17      because this is a surface water replenishment and we're  
18      not relying only on ground water resources to meet our  
19      needs. And it's just because we just basically can't.  
20      The rocks in and around the project area don't allow us  
21      to do that.

22             So right now we have over 275,000 acre feet of  
23      water banked for our operations. That gets us 50  
24      percent. So 20 years roughly of the mine life, and we're  
25      continuing to look for and securing more. We've done

1       this just in a span of a few years. So we have many more  
2       years to secure the full amount of what we need through  
3       either banking or a direct allocation off the canal.

4               So the banking water we're getting off of  
5       unused Colorado River water, the direct water allocation  
6       right off the canal would come from a purchase from  
7       somebody that already has some.

8               So in that case, instead of pumping water out  
9       of the ground, we would just have a pump station right  
10      off the canal and we would pump it up to our operations.

11              MR. MARTYN: Do you have any role on the new  
12      recharge facility there in Florence? Is that any part of  
13      your equation?

14              MS. PEACEY: No. Is that an SRP?

15              MR. MARTYN: Yeah. They just put it in two  
16      years ago.

17              MALE SPEAKER: I just have a quick question.  
18      The sign says that if you irrigate a gallon a year for 20  
19      years that 20 gallons will still be in the ground. I  
20      mean, you can irrigate more water than is ever in the  
21      groundwater aquifer?

22              MS. PEACEY: That's true.

23              MALE SPEAKER: So I mean in theory, is it  
24      really there?



1 MS. PEACEY: Well, yeah. So New Magma has  
2 275,000 credits and really what you're seeing is because  
3 they're not pulling water of here, ground water levels  
4 are starting to increase.

5 MALE SPEAKER: Yeah. But I mean still  
6 correspondence between -- you know, as long as I have  
7 water coming down my canal on the farm, what the heck.  
8 It doesn't mean all that water is there on the ground to  
9 be taken.

10 MS. DAGGETT: I have a question, too. Is it  
11 the same aquifer? It's the same but different areas. I  
12 mean, you have to pull out of the same aquifer, correct?

13 MS. PEACEY: You have to pull out of what's  
14 called the Phoenix Active Management Area. I think, sir,  
15 you're in agriculture, so you're probably aware of this  
16 better than me. It is not the same aquifer where we are  
17 having our mining activities. That is different. So  
18 this is, where we are banking is a very large alluvial  
19 basin, so it's a sand and gravel basin and that's where  
20 we're pulling water out. So it would be between Florence  
21 Junction and Magma Junction, in that area, if you can  
22 kind of imagine that.

23 MS. DAGGETT: So I guess I'm confused. And so  
24 banking it and sending it down to Florence --

1 MS. PEACEY: Oh, yeah. Storing it kind of in  
2 the Florence area. And then we would --

3 MS. DAGGETT: And then you're going to retrieve  
4 it from where?

5 MS. PEACEY: We will pump it out when we're  
6 ready to start operations from the groundwater that's  
7 been stored in and around New Magma.

8 MS. DAGGETT: Oh, so not from Florence?

9 MS. PEACEY: Not from -- it's hard to -- I  
10 should have brought a map. I had a map but I didn't  
11 include it in here. But if you can imagine between  
12 Florence Junction and Magma Junction on the freeway --

13 (Chorus of "79. -

14 MS. PEACEY: -- sort of just a very large wide  
15 open area. There's no homes, there's no development.  
16 There's an area, geographic area called New Magma  
17 Irrigation District. And so that alluvial, the ground in  
18 that area, is where we're banking and that's where we  
19 will eventually put our wells.

20 MS. DAGGETT: So you wouldn't pull it from the  
21 same --

22 MS. PEACEY: Yes, yes. Sorry.

23 MS. DAGGETT: Because there's different  
24 aquifers in different areas.

1 MS. PEACEY: And then we would pump it and we  
2 would booster it 30 miles back up to our project site  
3 along an existing disturbed area that's (indiscernible).

4 MALE SPEAKER: I thought you said  
5 (indiscernible) that you could put them anywhere in this  
6 whole management area, because that's where your present  
7 supply is?

8 MS. PEACEY: That's true. But we're going to  
9 pull it from -- where we're going to pull it is the New  
10 Magma Irrigation District, we have a rail line that  
11 crosses right through it and we're going to put our wells  
12 to pull the water out of it right within that right-a-  
13 way, within the existing disturbed area.

14 MALE SPEAKER: But if you run out of water,  
15 (indiscernible) go somewhere else because you have no  
16 water?

17 MS. PEACEY: We own the amount of banked  
18 credits. Yeah, as long as it's within that active  
19 management area.

20 MALE SPEAKER: Which is much larger than --

21 MS. PEACEY: It is much larger, that's right.  
22 But I mean it doesn't make a whole lot of sense for us to  
23 drill wells another 30 miles away.

1           MALE SPEAKER: No, no, as long it's there next  
2 to your rail line, that's fine. If you run out, you're  
3 still owed that (indiscernible).

4           MS. PEACEY: Right. And there's definitely a  
5 lot of questions about what happens if the Colorado River  
6 runs dry, who gets cut-off first, what happens there?  
7 And the order is agriculture, they come first and then  
8 it's industry, then it would be us.

9           So if for some reason -- you know, that's the  
10 kind of question for ADWR to really sort out what happens  
11 when a situation like that occurs. But that's the kind  
12 of sequence. So we would get cut-off after agriculture  
13 and at that point we'd have to look at do we ramp down  
14 production, do we look at other ways to be more  
15 efficient, something like that.

16           MALE SPEAKER: You say that's a Phoenix AMA not  
17 the canal?

18           MS. PEACEY: That's correct.

19           MR. MARTYN: What exactly do you use all this  
20 water for?

21           MS. PEACEY: For -- go to the next slide. For  
22 this. So the amount of -- so we're going to be mining at  
23 about 120,000 tons per day. So that's the amount of ore  
24 that's going to be coming up from the mine. We're going  
25 to have an underground tunnel that will take it to a

1 concentrator. And this is where we take one and a half  
2 percent copper and we turn it into 30 percent copper and  
3 it's called concentrate.

4 So what we're looking at here is, this is  
5 Superior, this is the area of the old Magma Mine and kind  
6 of tucked back up in here is, this is a canyon that goes  
7 back, Silver King Canyon is back here. This is where we  
8 would put a brand-new concentrator complex.

9 And the way that you recover this ore is you  
10 crush it so there's big grinding mills, semi-autogenous  
11 grinding mills that are located inside this building.  
12 And then once it's crushed down, it gets placed into  
13 these kind of big water vats where you add air and lime,  
14 as well as water, to separate the copper minerals that  
15 are going to float to the surface and you're going to  
16 skim them off. So that's how you concentrate them.

17 So because that is relatively water intensive,  
18 that's where the majority of the water is used, is in the  
19 processing. But we'll also use it for dust control in  
20 the mine and we'll also - we not only produce concentrate  
21 out of this process, but we produce tails. So that's the  
22 ground-up, non-economic rock that's left over after we've  
23 recovered the copper minerals.

24 And we will place the tailings by slurry. So  
25 by a mixture of solids and water, about 65 percent. So

1       that water then goes with the tailings and we're able to  
2       recover some of it back, but some of it remains within  
3       the tailings' mass itself and it's entrained.

4               MALE SPEAKER:   And where are the tailings going  
5       to go?

6               MR. MARTYN:   How about the water?   Where do you  
7       go for water when you're done with it, where does it go?

8               MS. PEACEY:   We're planning on being a zero  
9       discharge facility.   So other than diverting storm water  
10      flows that don't contact the process, having them  
11      continue to flow around, all the water that we use we  
12      will recycle back.   So we will cover as much water as  
13      possible back from the tailings.   These are thickeners  
14      here, so we'll have copper concentrate thickeners and  
15      tailings thickeners and those are done to thicken the  
16      solids more and then the water spills over in decants and  
17      we would recover as much of it as possible.

18              But we'll have evaporative losses.   So off the  
19      tailings mass which will have a relatively large surface  
20      area, we will lose water to evaporation.   So that 12,000  
21      acre feet per year, that's - that's why we need that to  
22      continue to replenish the loss.

23              MALE SPEAKER:   How are you treating the reclaim  
24      water?

1 MS. PEACEY: Reclaimed water isn't being  
2 treated. It just comes back from -- decants back from  
3 tailings or gets decanted off of these thickeners and  
4 then just goes directly back into the well. So there's  
5 no treatment.

6 Now it could be we will have impacts to  
7 groundwater resources. There's just no doubt about that.  
8 We're going to be placing facilities -- to the extent we  
9 practically can, we're going to avoid the bigger  
10 drainages, right? The bigger drainages that feed Queen  
11 Creek. But there's going to be small ones. And so there  
12 will be impacts to waters that would otherwise flow to  
13 Queen Creek. And we'll have to mitigate that in this  
14 sort of Comprehensive Environmental Review.

15 We need to get, we have to get over 50 Federal,  
16 State, and County permits and approvals before we can  
17 ever get the authorization to mine and do this. It's  
18 going to take us years to do.

19 But it may be that because we may be impacting  
20 some dry drainage's, we will have to replace that loss of  
21 water and the mitigation measurement to treat some volume  
22 of water and put it back into something that would have  
23 otherwise flown to Queen Creek.

1           And so if we did that, we'd likely have to have  
2           a reverse osmosis treatment plant treated to the water  
3           quality standards.

4           Okay. So this is the bit you've all been  
5           waiting for. When David worked here, the project -- and  
6           when I first got hired, the concept was to place tailings  
7           in a mined out open pit called Pinto Valley. And it's  
8           just off the map. I'll describe what you're looking at  
9           there. Here's US-60, here's Florence Junction. This is  
10          going over Gonzales Pass over to Boyce Thompson  
11          Arboretum, it's right about here. Here's 60 that  
12          continues into the Town of Superior and here's where it  
13          goes, snakes across Queen Creek and up to Globe and Miami  
14          and that direction. And you can see Pinto Valley, which  
15          is an open pit mine, it's just there at the base of that  
16          map.

17          And the original project concept was the mine  
18          would still be located in this area, obviously we can't  
19          move the deposit, but we would have an underground and  
20          overland conveyor that would take ore to Pinto Valley,  
21          this historic mined out open pit. We'd have a  
22          concentrator at that location and then we would fill the  
23          open pit with tailings and we'd have to go above and  
24          beyond. And it was a really nice, elegant solution  
25          because the amount of new disturbance created was so much



1 smaller. It just -- we talked about it a lot in public  
2 and it absolutely made sense to the communities that  
3 surround this area.

4 And we talked about it in public long before we  
5 had ever really sealed the deal. And I think that,  
6 unfortunately, what happened at least a year-and-a-half  
7 ago is it became obvious to BHP who was the operator of  
8 that mine that that was not a place to put tailings but a  
9 valuable asset and actually a mine.

10 So they reopened it and I think that we saw the  
11 signs coming but we certainly held out hope for far too  
12 long, even though we saw the signs. I kind of remember  
13 thinking to myself there's no way they're opening that  
14 lid up. But yet I'd see the equipment going through and  
15 I'd see the billboard sign on US-60 for the jobs.

16 So last year in about October, November  
17 timeframe they started it back up again. They've got  
18 production goals of 60,000 tons per day. They've got  
19 over 600 people working there and they plan to go for a  
20 long, long time; maybe decades.

21 So it really for us, made that option not an  
22 option anymore.

23 In the meantime we always knew we had to have a  
24 second option, so we looked at a tailings site on State

1 land. So this again is Florence Junction, it's all this  
2 past, so just to the south of that.

3 And unfortunately, a viable site for tailings  
4 and we've done some studies there. It is -- there are  
5 competing interest for that land. There's plans for  
6 residential development and we don't own that land.

7 So for us, it's not something that we can -- is  
8 again not a viable option, although we did study it as an  
9 alternative. So we have two alternatives, but neither  
10 one of them really panned out.

11 However, so what that really caused us to do is  
12 we really did last year at this time go back to square  
13 one. We've had no project because we had no -- you can't  
14 have a mine without tailings. So we took out the maps  
15 and the first thing that we did is we just said to  
16 ourselves: Okay, we're going to have one and a half  
17 billion tons of sand, where can we put this?

18 The first thing that we did is we looked within  
19 a reasonable radius around the project, roughly 20 to 25  
20 miles and we looked at the topography. What -- that's  
21 kind of the first thing we looked at. Where does it make  
22 sense to -- the land form is such that you can actually  
23 place this stuff?

24 And so we came up with a number of different  
25 alternatives where we looked at tailings, looked at a

1 place called Telegraph Canyon, we looked at this place  
2 called Lower West, Lower East, and we looked at some of  
3 these higher canyons called Hewitt, Whitford, Silver  
4 King. Again, just to see can we even place tailings.

5 And then because these are all in and around  
6 two communities, Queen Valley in Superior. We knew this  
7 was going to be a big issue for us. And we could  
8 potentially lose support as a result of the tailings.  
9 This is going to go in people's backyards.

10 So what we did is we formed a working group, a  
11 citizens working group made up of people who represent  
12 groups in Queen Valley and Superior and we laid it out  
13 and looked at all the different sites, looked at a  
14 variety of renderings. And the group basically  
15 identified the criteria that mattered most to them in  
16 siting the tailings.

17 And the criteria that mattered most I think are  
18 pretty obvious. One, are we going to see it and what's  
19 it going to look like and how are you going to reclaim  
20 this? Can you do it, can you concurrently reclaim or  
21 does it have to be kind of left as is to reclaim at the  
22 end of the mine life?

23 The other item that was very important was  
24 water. You know, what are -- is this thing going to seep  
25 contaminants into the ground? What does the ground look

1       like? And is it going to go into these bigger drainage's  
2       at Queen Creek, which is already an overtaxed water shed  
3       and because of the drought we've been experiencing for 15  
4       years, people have seen lower water levels.

5               As well as the way of life in the town,  
6       recreation, there were a lot of important criteria. So  
7       they placed the criteria to each one of these sites and  
8       everybody basically got two choices. We've also did a  
9       number of public meetings with the whole public as well  
10      to go over this process.

11             Really where it shook out is everybody  
12      unanimously, including Queen Valley, selected tailings on  
13      the State land. So they made that choice even  
14      recognizing that it was an option that we could use,  
15      which is interesting especially for people at Queen  
16      Valley, because I think initially they didn't like that  
17      site. But when you looked at kind of given the  
18      information and let them make a selection, that's where  
19      it came out.

20             Recognizing we can't use this site, the second  
21      -- the second most popular one was this blue one right  
22      here. And then there are a number of people who still  
23      chose Silver King as well as Telegraph King.

24             So because we have to get this project  
25      permitted we need to submit what's called a Plan of

1       Operations. We need to go through a Comprehensive  
2       Environmental Review under what's called NEPA. We need  
3       to identify where the tailings are going to go before we  
4       can submit that document and get through regulatory  
5       approvals.

6               So we selected this site as the least crappy of  
7       the crappy options or the least objectionable of all the  
8       different sites.

9               MALE SPEAKER: Can you just point out the  
10      footprint of Boyce Thompson Arboretum one more time? In  
11      case we forgot.

12              That whole block is kind of our area there.

13              MS. PEACEY: It dwarfs it. It's huge. So  
14      that's what we've selected to go forward with permitting.  
15      Now it doesn't mean that the site that we select makes it  
16      through the regulatory process. It doesn't mean that we  
17      can't consider other tailings sites and other locations.  
18      It's just the site that we selected to get the regulatory  
19      process going.

20              I think it's fair to say that with the land  
21      exchange there seems to be this assertion that --  
22      definitely our opposition get a lot of play out this --  
23      that we're somehow bypassing this regulatory review  
24      because of a land exchange. And it's just not true. But  
25      the best way to just take the issue of the table is to

1 submit the plan and go forward and that's what we're  
2 trying to do.

3 So let's take a look at some of the renderings  
4 and you'll see why this one -- so you'll see renderings  
5 of the State Land option, you'll see some renderings of  
6 Telegraph Canyon, of Silver King and of this Lower West,  
7 which is the one we're going forward with, Lower East as  
8 well. So this is the one we're going forth with, but  
9 these are the ones that you'll see renderings of.

10 MR. MARTYN: Who currently owns the majority of  
11 the land that you're looking at? Obviously, State Trust  
12 owns that land. But who owns all that land up there?

13 MS. PEACEY: Great question. That's Forest  
14 Service.

15 MR. MARTYN: So you're going to purchase this  
16 Forest Service land and that's the trick in itself?

17 MS. PEACEY: No. So the way that you get  
18 approval -- so unlike State Land that you have to  
19 actually own or have an agreement to go forward with the  
20 auction process, on Federal lands you have -- you get  
21 approval for placement of the tailings through an  
22 improved Mine Plan of Operations. Before the Forest  
23 Service can do that, we have to go through a NEPA  
24 process.

1                   So a Comprehensive Environmental Impact  
2           Statement will be written for this whole -- for the mine,  
3           the mill, and the tailings; alternatives will be  
4           assessed; and only after that has happened which is  
5           probably at least five years and it could be longer.

6                   MR. MARTYN: So it is significantly less  
7           expensive to go with the Forest than it is on State Trust  
8           land relative to total dollars?

9                   MS. PEACEY: If just looking at -- I guess if  
10          you're just looking at purchase of land only, yes. We'd  
11          have to buy this; we don't have to buy that. But when  
12          you look at, is it tougher to get something permitted on  
13          Federal land? Absolutely. Is it going to increase the  
14          amount of time on our permitting process? Probably.

15                  MR. MARTYN: Well, if Vanessa wasn't so mean  
16          she might sell it to you; but, you know.

17                  MS. HICKMAN: (Indiscernible) maybe I would.  
18          So that's what I'll say on that.

19                         (Laughter)

20                  MS. PEACEY: But the important thing is when we  
21          get into the NEPA process, the Forest Service is going to  
22          say okay, fine, this is what you submitted, what are the  
23          other alternatives and we'll go all through this process  
24          again. Maybe we'll look at Pinto Valley. Maybe that  
25          might be another option to look at. Who know what will

1       happen. We keep looking at that one and waiting and  
2       watching. They've got a long life ahead. But the Forest  
3       Service will look at a variety of other alternatives.

4               So what we've submitted may not be ultimately  
5       what they're (indiscernible).

6               MALE SPEAKER: Do you have a consultant or do  
7       you do this in-house or do you have a consultant that  
8       writes these reports for you or probably a stable of  
9       consultants?

10              MS. PEACEY: We have a stable of consultants,  
11       we have consultants that help us pull all of this  
12       together, but we have consultants that do tailings and  
13       geotechnical stability, we've got consultants that do  
14       ground water and hydrology, air quality, biological  
15       resources, cultural resources. We spend a lot of money  
16       on doing environmental studies.

17              MALE SPEAKER: Why does it have to be a final  
18       tailings site?

19              FEMALE SPEAKER: It doesn't have to be. For  
20       the Plan of Operations you need to identify what your  
21       project scope is and you can't just say: Well, we might  
22       go any one of these.

23              MALE SPEAKER: No, you can say 30 percent here,  
24       40 percent there, right?



1 MS. PEACEY: Well, we did look at that as well.  
2 That's a good point. We did. We looked at splitting  
3 some of them. Unfortunately, when you split one and a  
4 half billion tons into like 800 million tons, it still  
5 doesn't -- it's still highly visible and it still didn't  
6 look all that good.

7 The other thing is, the Forest Service doesn't  
8 typically like to have bits of tailings all over the  
9 place. They tend to like to have it consolidated in one  
10 so it reduces -- the Forest Service always wants to  
11 reduce impacts to forest land and to forest resources.

12 So if you look at the -- you know, if you  
13 spread this out and then your actual footprint ends up  
14 getting bigger over a larger area, that's just my  
15 experience. But it could be what comes out of the  
16 regulatory process is maybe it does get split into a  
17 couple.

18 So, it's good to take a look at this.

19 So I think for a lot of you we can see this.  
20 You're probably imaging tailings to look like this. And  
21 if any of you have ever been in Superior a long time ago  
22 in the '80s and the '90s, this is what it looked like.  
23 This is tailings, this is Superior, these are homes.  
24 This is that kind of blood red water. It's your classic,  
25 tailings from the Magma Mine were placed without really

1       any rhyme or reason, no thought to the environment or  
2       anything like that.

3               Now we've since reclaimed them and they look  
4       much better. We can't do this anymore, we're not  
5       allowed. The law doesn't allow us to behave like this  
6       anymore. So what you see in this top diagram. You'll  
7       never see again from mines going forward and certainly  
8       won't see that from us.

9               I just wanted to show you kind of the worst of  
10       the worst. And actually this is from, this is a picture  
11       from the Magma tailings from the 1992 National Geographic  
12       article highlighting the worst of the worst in mining and  
13       it was right here.

14              MR. MARTYN: Is that down by -- is that down  
15       off the 19 heading down towards Green Valley?

16              MS. PEACEY: No, this is here in Superior.

17              MR. MARTYN: You know where I'm talking about  
18       right?

19              MS. PEACEY: Yeah, I do. I'm sure there's lots  
20       of them in Arizona that look like this, have the erosion  
21       gullies, they've had no -- they weren't reclaimed  
22       progressively. There's no water management here.  
23       There's a lot of those examples and that's what everybody  
24       has in their mind. Our legacy and our history kind of  
25       continues to chase us.

1 MALE SPEAKER: You're thinking Asarco.

2 MALE SPEAKER: Put cows on them and reclaim  
3 them.

4 MS. PEACEY: You can reclaim them, you can do  
5 it, you're right. It's a lot more costly to take  
6 something like this and turn it into this, a lot more  
7 cost, a lot more effort. And we don't like to spend more  
8 cost than we have to. And so if you do it right, which  
9 is - you know, the law basically requires that you do  
10 that, where we'd reclaim as we go, we segregate the acid-  
11 generating material away from the non-acid generating.  
12 We'd stay out of drainage's. There's just a lot more.  
13 The laws just don't allow us to do this anymore, so.

14 Let's take a look at some renderings. Here's a  
15 State Trust land. So here's the view from Florence  
16 Junction. A lot of you would have driven on US-60 from  
17 Gold Canyon. So here's what it would look like  
18 completely unreclaimed at the end of 40 years, so one and  
19 a half billion tons. When we did this we tried to stay  
20 below the horizon and make it look as good as you can  
21 possibly make 1 ½ billion tons of sand look.

22 And then the bottom would be reclaimed. And  
23 again, we would -- the philosophy for the State Trust  
24 land would be a progressive reclamation over time. So you  
25 wouldn't actually see this. What you would see is a

1        hybrid between these two where you would see the bottom  
2        half reclaimed and you would see a sliver on the top  
3        unreclaimed.

4                Here's one that is really awful. This is the  
5        Lower East, so this one is the closest to Boyce Thompson,  
6        it's the closest to US-60. It was not selected by the  
7        group and it's hard to know what these things look like  
8        until you actually do renderings, but you know this one  
9        is highly visible, it takes out the horizon, which is  
10       when you're driving to Superior this is why people come  
11       to Superior is because of the beauty of the Apache Leaf  
12       and the surrounding geology. This one is pretty awful.  
13       So this was X'd out, this was not -- but one person  
14       verbally wanted this one.

15               MALE SPEAKER: It would change the sunset in  
16       Superior, wouldn't it?

17               MS. PEACEY: It probably would. It probably  
18       would block it. So this is the one that was selected.  
19       So this Lower West. This was the second choice after  
20       State Land going forward. So again after 40 years  
21       unreclaimed from the same viewpoint, so coming down off  
22       of Gonzales Pass into Superior, you can see -- assuming  
23       we didn't reclaim it until the end of mine life, you can  
24       see the sliver at the top here. But because we are going  
25       to progressively reclaim, you know once it's fully

1 reclaimed from this viewpoint, it's not that visible,  
2 which again was an important criteria.

3 Another horrible one. This is the Lower East,  
4 right? The one we just saw before, highly visible. This  
5 is coming right out of Boyce Thompson. There's no amount  
6 of reclamation that would make this one look good. So  
7 you can again see why that one was pretty much X'd off  
8 right off the bat.

9 And then there's the Lower West, which at the  
10 end of 40 years, assuming we weren't reclaiming  
11 concurrently, you're just going to see a little bit  
12 poking out. Again, this is coming out of Boyce Thompson,  
13 the old entryway.

14 Here's a view of again -- go back one. This is  
15 a view of this one from a different angle, from the  
16 Highlands -- go forward. From Highlands, which is a  
17 development high up in Superior. So again, highly  
18 visible and even reclaimed.

19 Here's the one that we're going for the permit  
20 in the Lower West. After 40 years under claimed and then  
21 reclaimed it's so much further away and more  
22 (indiscernible).

23 Okay, so here's a view from the Boyce Thompson  
24 from the roof. Here's the one that we're selecting. So,  
25 after 40 years and I didn't --

1                   MR. MARTYN: Did you take that picture up on  
2 top?

3                   MS. PEACEY: I did. I got a tour of it too,  
4 which was kind of nice.

5                   MALE SPEAKER: (Indiscernible).

6                   MS. PEACEY: Really?

7                   MALE SPEAKER: Another story.

8                   MS. PEACEY: I got to hear that one.

9                   So not super visible from - 'cause you wanted  
10 to know what that would look from the top of the  
11 unreclaimed, of course it would be reclaimed.

12                   Here's Silver King. So this would be one of  
13 the canyons that are high up. Because the canyons  
14 require a very big embankment, we are not able to reclaim  
15 as we go. So as a result, after -- and this is only half  
16 of the volume. So this one would be highly visible.  
17 Those canyons would have massive dams. We would not be  
18 able to reclaim them as we go. A couple of people  
19 selected this one but it wasn't that popular with the  
20 majority of the group as well as residents that live in  
21 town. It would be so close and so visible.

22                   Here's Telegraph Canyon. So it's not visible  
23 from the top of the house, a little bit is at the very  
24 end. It's just a small sliver at the end of four years.  
25 But this is from 177 right in Superior looking across.

1       Again, this one we would not be able to progressively  
2       reclaim so we'd have some pretty massive embankments that  
3       would fill around the whole thing. So it would come up  
4       almost halfway up the backside of it.

5               Okay. So what do we need to do before we ever  
6       get this mine permitted? I mentioned before we have 50  
7       Federal, State, and local permits and approvals; lots of  
8       hoops to jump through; lots of eyes on this. We'll  
9       submit a Plan of Operations that will basically describe  
10      the whole mine, the concentrator, the tailings, all of  
11      the pipelines and the connecting pieces and then we'll go  
12      through this very Comprehensive Environmental Review  
13      under NEPA.

14             It will be run by the United States Forest  
15      Service. It will have a number of what's called  
16      cooperating agencies, so the United States and PA will be  
17      looking at this every step of the way. The United States  
18      Fish and Wildlife Service. There will have to be  
19      consultation with Native American groups. There's at  
20      least ten of them in Arizona that have a major interest  
21      in this project, as well as State agencies, ADEQ, ADWR,  
22      there's just a lot of eyes on this, as well as this is a  
23      very public process. The whole idea behind NEPA is that  
24      Federal Agencies disclose the information and the  
25      environmental impacts of a project before they ever make

1 a decision and they have to address all of the public  
2 comments in that same process.

3 So we're just about to get started and submit a  
4 Plan of Operations before the end of the year. That will  
5 stay with the Forest Service for probably a year.  
6 They're going to look at the design information, going to  
7 make sure there's enough information there before they  
8 ever get to this point where they put it out for what  
9 they call "Public Scooping," and that starts NEPA.

10 I'll just on that, NEPA will require that all  
11 the environmental impacts are identified and mitigated.  
12 So there's going to be a lot of -- where we're not going  
13 to be able to violate the Clean Water Act, we're not  
14 going to be able to violate the Clean Air Act -

15 MALE SPEAKER: oh. Shoot

16 MS. PEACEY: I know.

17 So, there's a lot of -- all the Federal  
18 standards to protect the environment and public health  
19 are in place. So there's a huge amount of  
20 (indiscernible) applied to this.

21 There was a question earlier, let's go back  
22 about the land exchange. I'll just end off on this one as  
23 quickly as I can.

24 So the ore deposit if you're going to project  
25 it onto surface, this white line is the 1 percent copper



1 shell and the mine, the video that showed the panels  
2 within this, that's where we would mine that 1 and a half  
3 percent copper deposit within this white area. So this  
4 is projected to surface.

5 Because we'll have subsidence over that area,  
6 it will be no longer accessible. Right now people --  
7 people come here and they camp and they climb and they  
8 are able to access it and recreate in that area. It will  
9 be off limits to recreation in that location.

10 And so because that is a loss and we recognize  
11 that, so we would like to own the land that is above the  
12 area that we would impact, and in exchange -- and that's  
13 roughly 2,400 acres, so outlined in yellow. And in  
14 exchange for that, we would like to have 5,300 acres --  
15 sorry, we would give back into the Public Trust, 5,300  
16 acres of lands around rural Arizona that have a high  
17 ecological and low life value.

18 MR. MARTYN: What does "withdrawn lands" mean?

19 MS. PEACEY: So there's the 2,400 acres that we  
20 would like to have. This area outlined in blue is 760  
21 acres of lands that are withdrawn from mineral entry. So  
22 back in the Eisenhower days there were serious  
23 withdrawals of public lands across the country, a couple  
24 hundred of them and the withdrawal was done to protect  
25 capital investments that the Federal government had made.

1           So this area outlined in green, there's a  
2           campground here that the Federal government paid money to  
3           establish and upkeep and maintain. And so the withdrawal  
4           was done to protect that capital investment. And it is  
5           withdrawn from what's called "mineral entry," which means  
6           we're not allowed to have any mining activities within  
7           that blue area.

8           So the land exchange would also revoke this  
9           withdrawal. And the reason we would like that to happen  
10          is we've got a 40-year deposit right here, but it trends  
11          in that direction. So 40 years would likely be turned  
12          into many decades more than that. But we don't know  
13          because we can't do an exploration drill.

14          MR. MARTYN: You said 5,000-odd acres back into  
15          the Public Trust across rural Arizona?

16          MS. PEACEY: Yes.

17          MR. MARTYN: Are we talking 500 or are we  
18          talking a few large areas of land?

19          MS. PEACEY: Both. So, let's go to the next  
20          one.

21          Two of the -- two of the crown jewels of the  
22          land exchange that we put back into the Public Trust are  
23          the Appleton-Whittell Research Ranch, so this is 940  
24          acres, this is south of Tucson. This is actually a  
25          grassland. It's even hard to believe this is Arizona,

1 but this is a beautiful, unique property that is managed  
2 by Arizona Autobahn and it is a collaboration between the  
3 Forest Service and us and Audubon. There is -- there is  
4 thousands of acres and this is kind of the last big  
5 remaining private piece that would be transferred.

6 MALE SPEAKER: South of Elgin.

7 FEMALE SPEAKER: It's by the Audubon.

8 MR. MARTYN: I think Rick Renzi owns it.

9 MS. PEARCEY: That's a different parcel. That  
10 was on here.

11 (Laughing)

12 MS. PEACEY: So, um -- but, but that's one of  
13 them. The second one is over 3,000 acres along the Lower  
14 San Pedro. So this one would -- if the land exchange  
15 were going to happen, it would become part of the loss in  
16 this National Reserve.

17 This is the Lower San Pedro or Seven Miles  
18 Ranch, so we've got over 3,000 acres along the Lower San  
19 Pedro. Seven Miles they're actually along seven and a  
20 half miles along the Lower San Pedro. And this would  
21 become part of the Lower San Pedro (indiscernible)  
22 Conservation Area.

23 MR. MARTYN: So, it's a number of significant  
24 parcels, it's not a whole lot of small ones.

25 MALE SPEAKER: No.

1 MS. PEACEY: And then we do have another one  
2 that's -- and then the rest of those -- we got 640 acres  
3 that go back to the (indiscernible) and then about 150 to  
4 200 that go back to Tonto National Forest and Prescott  
5 and a few others.

6 These are kind of the crown jewels. And the  
7 way that we identify this is, look, we knew we would like  
8 to have 2,400 acres above the deposit. We knew that this  
9 was going to have impacts. So, we went back to -- and  
10 this was something that David was involved into the BLM,  
11 Forest Service, Fish and Wildlife, to Autobahn, to the  
12 major conservancy and see if there are -- what -- what  
13 are the real prizes and crown jewels and lands you would  
14 like to see put back in the Public Trust. And they  
15 selected these because of the high wildlife and high  
16 diversity value that are associated with these.

17 MR. MARTYN: Should have picked some State  
18 Parks, could have used them.

19 MR. SIEGWORTH: Is that it?

20 MS. PEACEY: That's it.

21 MR. MARTYN: Real quick if I could, Mark, the  
22 water and the impact on BTA on your tailings. Any impact  
23 on any of your proposed site that potentially impacts BTA  
24 in a negative way, downstream of anything that you're  
25 proposing?

1 MS. PEACEY: Let's go back. Go back to the big  
2 map here, Erica.

3 MALE SPEAKER: That looks pretty negative.

4 MS. PEACEY: Yeah, the one that -- that was  
5 this one, right? So, from a visual standpoint. So, this  
6 is the one that we're -- we're going in with. Again, we  
7 don't know if we'll actually get this permitted, but it  
8 is downstream from Boyce Thompson. So, from a water  
9 standpoint, we are downstream. From a visual standpoint,  
10 you saw some of them obviously. So, this thing will --  
11 so, if we're looking at like, say, potential seepage to  
12 Queen Creek, it will be downstream of Boyce Thompson. If  
13 you're looking at -- we've done -- that particular option  
14 avoid Hewitt Canyon drainage, Robles Canyon drainage, and  
15 Potts Canyon, which is -- you know, these watersheds area  
16 a massive contributions to the flowing Queen Creek in  
17 this area. So, we've avoided those. But, again, it's  
18 downstream of Boyce Thompson.

19 But, geology is really important. And, you  
20 know, in this -- some of these locations here is  
21 underlain by a very low permeability unit called a kilo  
22 conglomerate which then butts up against the  
23 (indiscernible) shifts. So, from a seepage standpoint,  
24 this isn't a good spot to be more protective of Queen  
25 Creek.

1                   MALE SPEAKER: Okay. About the transport of  
2 the slurry, is it conveyor or hydro or crane?

3                   MS. PEACEY: Pipeline.

4                   MALE SPEAKER: pipeline.

5                   MS. PEACEY: Yeah. So, you'll have a pipeline.  
6 So the concentrator complex that I showed you earlier  
7 will be dwarfed in comparison to the tailings. It goes  
8 about right in this location right up here. And there  
9 would be a pipeline that would take it.

10                  MALE SPEAKER: How is it moved over this site?  
11 The pipeline terminates at some point. How is it -- how  
12 is it spread over the site from the end -- or, the  
13 terminance of the pipeline?

14                  MS. PEACEY: Then there is a series of  
15 pipelines that -- that basically place it by perimeters  
16 and little spigots that come off of each one, and then we  
17 progressively move them -- continuously move them over  
18 the 40-year life.

19                  MALE SPEAKER: That's the (indiscernible) job.  
20 Pipefitters.

21                  MS. PEACEY: Yeah.

22                  MR. MARTYN: HGTV.

23                  MS. PEACEY: Still, you'll have big, big  
24 stainless steel valves. Huge ones. So, there will still  
25 be some of that.

1 MALE SPEAKER: So, that's 30 percent water  
2 that's flowing through the pipeline? So, that's the  
3 water that you're probably worried about?

4 MS. PEACEY: That's the amount of water that  
5 is --

6 MALE SPEAKER: That is not pure, pristine  
7 water?

8 MS. PEACEY: No, no. It will have solvents  
9 that will be part of it, so that's why when we replace  
10 it, we want to reclaim as much of it back and put it into  
11 the process.

12 MALE SPEAKER: You recover -- I'm sorry. You  
13 recover from the (indiscernible).

14 MR. SIEGWORTH: Yes.

15 MS. PEACEY: It decants. So, you're going to  
16 place your water and you're going to place the tailings  
17 and it will -- and it will decant to the surface out to  
18 the back, and then we'll have these booster pumps that  
19 will pump it back up to the concentrate.

20 MALE SPEAKER: If I can - I'm looking at the  
21 clock because we did want to have a Picket Post tour  
22 before dinner. I think, Vicky, you are coming with us?  
23 Is that possible?

24 MS. PEACEY: Yes.

1                   MALE SPEAKER: So, we can have a longer  
2 conversation with more technical stuff.

3                   MALE SPEAKER: I'll just make one comment. I  
4 worked in an operation in a country in Namib, which is  
5 the oldest desert on the face of the Earth and we were  
6 mining Uranium, and we recovered -- we actually turned  
7 our water over seven times before we had to replace it.  
8 And then after the mine had gone through extensive life,  
9 we actually were mining water out of the tailings again  
10 to supplement our water. So, we have very, very high  
11 level of water conservation. The same thing we'll be  
12 able to have in here. We actually found ways to minimize  
13 that and we recovered water from the tailings by drilling  
14 wells and pulling it back out and putting it back into  
15 the process. So, you'll see some very aggressive  
16 reclamation process -- water reclamation process used in  
17 this. And they all are proven. They've all been done

18                  MS. PEACEY: And you're right. We'll actually  
19 use every drop of water seven times, so.

20                  MR. SIEGWORTH: I want to thank Vicky for  
21 coming.

22                  (Clapping)

23                  FEMALE SPEAKER: I hope this is what you had in  
24 mind.



1 MR. SIEGWORTH: I'm part of the citizen's  
2 group, but as I explained to Resolution, I can't -- I  
3 don't represent my Board, I don't represent the State  
4 Parks Board. I just didn't feel qualified to give you  
5 all this information. I think it's much better as  
6 presented to you, because some day you may be asked to  
7 opine on this. So thank you for spending the time.

8 She also came -- Bryan was very good about  
9 having NPAC come and give us some advice about that in  
10 particular (indiscernible). So we have been leveraging  
11 as much as we can with (indiscernible) Parks on this  
12 issue.

13 I do hope you'll be able to talk to Vicky. And  
14 someone else from Resolutions is coming to as well?

15 MS. PEACEY: Our Project Director is coming for  
16 dinner.

17 MR. SIEGWORTH: I would like to say that for  
18 this people that don't want to walk to Picket Post House,  
19 I'll have a van leaving here in about, say, six minutes  
20 that will take you up there. I'll be happy to walk the  
21 rest of the group.

22 MALE SPEAKER: How far is it, Mark?

23 MR. SIEGWORTH: A third of a mile. It's a  
24 little walk and it's a beautiful day and I'll be happy to

1 show you Picket Post House. Cocktail hour is 6:00, it  
2 actually starts at around 5:15 if you want.

3 MALE SPEAKER: It is right out here.

4 MALE SPEAKER: It is right out here.

5 MR. SIEGWORTH: It will be right in front of  
6 the Smith building. So you can either go on the tour or  
7 just hang for dinner. It's up to you.

8 MR. MARTYN: Mr. Chairman, you're still in  
9 session.

10 MR. VICE CHAIRMAN: Just once again thanks to  
11 BTA for hosting today. We appreciate it. And it's great  
12 to have an opportunity to meet you. Thank you.

13 This meeting is adjourned.

14 MR. MARTYN: Thanks, Vanessa.

15 (End of recording)  
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## 1 CERTIFICATION

2  
3 I certify that I transcribed the testimony in the  
4 foregoing matter from a CD, and that the preceding 138  
5 pages of typewritten matter is true, accurate and  
6 complete accounting of all testimony from the audio  
7 recordings, to the best of my skill and ability.

8 I further certify that I am in no way related to any  
9 of the parties and that I am not in any way interested in  
10 the outcome thereof.

11 Dated this \_\_\_\_\_ day of November 2013.

12  
13  
14  
15 \_\_\_\_\_/s/ Dawn Archambo

16 Dawn Archambo

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18  
19 Revisions made on January 28, 2014 by:

20  
21 \_\_\_\_\_/s/ Angela F. Miller

22 Angela F. Miller, RPR, CR (AZ50127)

23 Certified Reporter  
24  
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